SENATE.

TUESDAY, *August 4, 1914.*

(Legislative day of Monday, August 3, 1914.)

The Senate reassembled at 11 o'clock a. m. on the expiration of the recess.

FEDERAL TRADE COMMISSION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

The VICE PRESIDENT. The Senator from Rhode Island [Mr. LIPPITT] is entitled to the floor.

Mr. SMOOT. Will the Senator from Rhode Island yield?

Mr. LIPPITT. I yield.

Mr. SMOOT. Before the Senator begins his remarks I believe the Senate ought to have a quorum present, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Gronna	Nelson	Smoot
Brandegee	Hitchcock	Newlands	Stone
Bristow	Johnson	Norris	Sutherland
Burton	Jones	O'Gorman	Swanson
Camden	Kenyon	Overman	Thomas
Chamberlain	Kern	Page	Thompson
Chilton	Lane	Perkins	Thornton
Clapp	Lea, Tenn.	Pittman	Tillman
Clark, Wyo.	Lee, Md.	Pomerene	Vardaman
Clarke, Ark.	Lippitt	Reed	Walsh
Colt	McCumber	Saulsbury	West
Culberson	McLean	Shafroth	White
Cummins	Martin, Va.	Sheppard	
Fall	Martine, N. J.	Simmons	
Gallinger	Myers	Smith, Ga.	

Mr. PAGE. I announce the necessary absence of my colleague [Mr. DILLINGHAM]. He is paired with the senior Senator from Maryland [Mr. SMITH].

Mr. JONES. I desire to announce that the Senator from Michigan [Mr. TOWNSEND] is necessarily absent. He is paired with the junior Senator from Arkansas [Mr. ROBINSON]. This announcement will stand for the day.

Mr. CLARK of Wyoming. I desire to announce the unavoidable absence of my colleague [Mr. WARREN], who is paired with the Senator from Florida [Mr. FLETCHER].

I was also requested to announce the unavoidable absence of the junior Senator from West Virginia [Mr. GOFF], who is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. GALLINGER. I wish to announce the unavoidable absence of the junior Senator from Maine [Mr. BURLEIGH], who is paired with the junior Senator from New Hampshire [Mr. HOLLIS].

Mr. KERN. I desire to announce the unavoidable absence of my colleague [Mr. SHIVELY]. He is paired. This announcement will stand for the day.

Mr. WHITE. I wish to announce the necessary absence of my colleague [Mr. BANKHEAD] and to state that he is paired. This announcement may stand for the day.

Mr. JONES. I desire to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is necessarily absent on account of illness. This announcement will stand for the day.

The VICE PRESIDENT. Fifty-seven Senators have answered to the roll call. There is a quorum present. The Senator from Rhode Island will proceed.

Mr. LIPPITT. Mr. President, last night I introduced an amendment to the pending bill, as follows:

On page 15, at the end of line 3, after the word "each," insert:

> And no person who is or has been a member of the commission shall be eligible for any other office under the United States until after a period of one year from the time he ceases to be a commissioner.

That is a committee amendment.

Mr. NEWLANDS. That amendment is acceptable to the Committee on Interstate Commerce, and I ask for a vote upon it.

The VICE PRESIDENT. The question, then, is on the amendment.

Mr. GALLINGER. What is the amendment?

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Texas?

Mr. LIPPITT. I yield.

Mr. CULBERSON. I understood the Senator had yielded the floor on this amendment. We can not take a vote while a Member occupies the floor.

Mr. LIPPITT. I offered the amendment, and it was accepted by the committee. I do not know what the technical situation about it is. The Senator from Texas wants the floor?

Mr. CULBERSON. I wish to suggest an amendment to the amendment—before the word "office" to insert the word "statutory."

Mr. NEWLANDS. I have no objection to that.

Mr. CULBERSON. So that the amendment would not apply to offices where the Constitution names the qualifications.

Mr. NEWLANDS. I think the Senator from Rhode Island had better accept it.

Mr. LIPPITT. To what offices would it apply?

Mr. CULBERSON. The purpose of the amendment would be to exclude Senators and Representatives, because they are constitutional officers. Their qualifications in my judgment are fixed by the Constitution and are beyond the reach of Congress.

Mr. GALLINGER. Mr. President, an amendment is being discussed that at least one Senator has not the least knowledge of. I wish that it might be read.

The VICE PRESIDENT. The Secretary will reread the amendment.

The SECRETARY. The Senator from Rhode Island offers the following amendment to the proposed substitute of the committee:

> On page 15, line 3, after the word "each" and the period, at the end of the line, insert:
> "And no person who is or has been a member of the commission shall be eligible for any other office under the United States until after a period of one year from the time he ceases to be a commissioner."

To that proposed amendment the Senator from Texas [Mr. CULBERSON] offers the following:

> Before the word "office" insert the word "statutory," so that if amended it will read:
> "And no person who is or has been a member of the commission shall be eligible for any other statutory office under the United States," etc.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Texas to the amendment.

Mr. LIPPITT. Mr. President, the purpose of this amendment was to relieve as far as possible the members of this commission from being in a position where they would be suspected of being not entirely fair in their proceedings by the possession of any ambition or desire to occupy a political office. One point I had in my mind was that they should not be candidates for Representative and Senator or for any other elective office before the people. It is of the greatest importance to the establishing of the confidence of the people in the impartiality of their judgment, their decisions and actions, that they should be free from any taint of political ambition in connection with it.

So far as the legal aspect of this matter goes, of course I am not competent to pass upon it. If it is unconstitutional to make such a provision as this amendment calls for, to apply to such officers as Representatives and Senators, of course it is useless for us to pass the amendment in a form that would do that. But when the subject was under discussion by the committee on two or three occasions I was informed by men of high standing in the legal profession that it did not conflict with any constitutional provision. If it does not conflict with a constitutional provision, I hope the amendment to the amendment will not be favorably acted upon.

Mr. SUTHERLAND. Mr. President, as I understand the purpose of the amendment offered by the Senator from Rhode Island, it is, among other things, to render ineligible any member of this commission to the office of Member of Congress in either branch. I am very much in sympathy with the purpose which the Senator from Rhode Island has in view. I think if we have the power to impose such a limitation it would be a very wholesome provision. But I call the attention of the Senator from Rhode Island to the fact that the Federal Constitution prescribes the qualifications of Members of Congress—that a Member of the House shall be of a certain age and a resident of the State for a certain number of years—and there is the same sort of a provision with reference to a Member of the Senate. It has been repeatedly held in the Senate, and I think in the House, but I know in the Senate, that there is no power to superadd to those constitutional qualifications, if for no other reason, because there is another provision of the Constitution which provides that—

> Each House shall be the judge of the elections, returns, and qualifications of its own Members.

Each House being the judge, and that would mean of course the sole judge, Congress is powerless to pass a law which would in any manner interfere with that authority upon the part of each House.

In other words, if we passed a law of this kind, and notwithstanding it a member of this commission were elected to the

Senate, the Senate under the constitutional provision which makes it the sole judge could simply disregard the congressional law.

That question has arisen in a number of election cases that have come up from time to time in the Senate, and the proposition which I am stating, I think, can not be doubted.

Therefore, while I am in entire sympathy with the Senator's proposition, if we have the power to pass it, because I take that view of it, I should feel constrained to vote against it in the terms in which the Senator presents it.

Mr. McCUMBER. Mr. President——

Mr. LIPPITT. If I may be allowed, I understand the Senator from Utah thinks that the amendment the Senator from Texas suggests, introducing the word "statutory," would cover that ground.

Mr. SUTHERLAND. Undoubtedly it would take from the amendment the objection which I have suggested. Whether or not it would then limit it to such an extent as to be practically of no consequence is another question.

Mr. McCUMBER. If the Senator will allow me, admitting, as I think we all do, that Congress has no authority to fix limitations or qualifications for the position or office of Senator or Representative, nevertheless would it not be a good thing to place this provision in the bill just as it is offered by the Senator from Rhode Island? The very most that its operation could do would be to deter an officer who has accepted a position under the provisions of the law from voluntarily becoming a candidate for the office of Senator or Representative. As a matter of course, if, despite the law which admonishes him against accepting such a position, he nevertheless would become a candidate and be elected, the law which we have passed would not, of course, unseat him or prevent him from taking the oath of office and serving.

But, Mr. President, I do not believe that there are many persons who would accept a position under a law of this kind which, while it could not legally prevent a man from becoming a candidate, would in effect indicate to him that the law was passed with the idea and that he has been appointed with the idea that he shall not become a candidate for either of these positions. Certainly it would not make the entire law unconstitutional. The very most that could be claimed for it would be that it would be ineffective if one of these officers desired to become a candidate. Therefore I hope, even though it would not be effective against the officer, for its good effect upon the service which he is to perform, that the amendment may go through as proposed by the Senator from Rhode Island [Mr. LIPPITT].

Mr. LIPPITT. Mr. President——

Mr. CULBERSON. Question!

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Texas [Mr. CULBERSON] to the amendment of the Senator from Rhode Island [Mr. LIPPITT].

Mr. REED. Has the Senator from Rhode Island yielded the floor, or is he on his feet to make a speech?

Mr. LIPPITT. I was going on to make some remarks about the bill, but this amendment has been brought up, and I presume that I do not retain the floor under the circumstances. So I yield the floor for the consideration of the amendment, and intend, after the amendment is disposed of, with the consent of the Senate, to make a few remarks on the bill.

Mr. REED. Mr. President, I want to make a suggestion regarding this proposition. With the purpose of the author I have no quarrel. If it is desired to place this board in a position where it is entirely above and beyond influence, isolated from all of those things which usually affect human beings, and if that can be accomplished by the amendment, well and good; but it seems to me that the amendment will have just the opposite effect from that which is intended by its author.

What do we propose to do? We propose to say to the members of this commission, "You can not accept any public office after you have served upon this commission until one year's time has elapsed; we bar you from seeking honors or profits from the public." Therefore we cut off every incentive to serve the public, and to serve the public so well that the public might desire to reward by further honors the individual holding the office.

There are two opposing forces working constantly on a commission of this kind. One is the great public, desiring its rights protected; the other is the trust, the combination, the gentleman who is restraining trade, the individual who has, as we think, made this commission a necessity under our system of government. You can not cut that influence off. You can say to these men, "No matter how well you do by the public, no matter how thoroughly you protect the public interest, you can not have any public office"; but you can not say to them, "If you serve well the interests that have to be brought before this tribunal and decide questions in their favor, you can not take employment from them." As long as the employment is open and the temptation is present, springing from the great interests that will have their cases before this board, I think we ought to leave also open to these men the chance for popular favor and popular advancement; and I think the people, when they come to an election, as suggested by the Senator from Mississippi [Mr. VARDAMAN], are fully capable of taking care of their business.

It seems to me utterly wrong to say to a member of that board, "You can not obtain political favor or advancement," and leave the question open for favor and advancement from the opposing interests, to wit, the great trusts and combinations.

Mark you, the evil that we have had illustrations of in this country, and which led to a clause being written into the banking and currency act, was not an evil arising from the public advancement of these men, but from the advancement by the great financial interests of men who had held public office. It grew almost into a scandal here that men who held certain positions in the Treasury Department would be taken from those positions at a higher salary and placed in great banks and trust companies; and the suspicion arose that men might be tempted by the offer of such positions to modify their judgments while in official positions. Consequently we sought to prohibit that. Now, we turn around and say, under this bill, "You shall not have any public position, but the temptation which has been the occasion of restrictive legislation along this line will still exist. You can serve the public never so well upon this commission, but you can not have a public office and the public can not advance you, no matter how necessary you may be. Nevertheless, you can leave this commission at any hour and go to work for the interests that have had litigation before the commission."

Of course, I would like to take the view that men would not be swerved by either motive, but if we are to deal with them as though they would be swerved by such methods, then, certainly, we ought not to cut off the opportunity to public advancement while we leave open the door for private emolument and profit.

Mr. LIPPITT. Mr. President, what the Senator from Missouri [Mr. REED] so concisely points out is true, that the members of this commission will be subject to influences of various kinds; it is true that they may be subject to influences of bribery, which may take the form either of dollars and cents or some important position in connection with private affairs. We want to guard against that in every way that it is possible to guard against it. I raise no objection to that position at all. I would surround this commission with every safeguard of which I could think to prevent them being subjected to any influence, public or private.

The fact is that the members of this commission are going to be in a peculiar position, because they are, in the first place, going to have the duty and power of investigating and collecting material upon which to bring charges against people in this country, and after they have collected that evidence they then begin to act in their judicial capacity and themselves pass upon the weight of that evidence.

Their power is greater, therefore, in this respect than the power of the courts or the power of the Attorney General; and, in a peculiar way, the necessity arises for taking every step that we can take to remove them not only from the danger of being actuated by improper motives, but from the suspicion of improper motives on the part of the public at large. The proper performance of the duties of this commission will depend very largely upon their having the confidence of the public.

There are laws against bribery; and although sometimes they are very difficult to enforce, still they exist. It did seem to me that it would be eminently proper, in putting into the hands of this commission the enormous and unparalleled powers we propose to give them, to see if some precautionary steps might not be taken, at least, to indicate to them that in accepting a position on the commission they set themselves apart, so far as it is possible for human nature to set itself apart, from the ordinary influences that govern the actions of private individuals in such a way as sometimes to make them partial and prejudiced and unfair; to insure that these men in reaching their conclusions shall render verdicts based on the facts of the case alone, uninfluenced by any desire to secure a reward of any kind for themselves.

The Senator from Missouri well knows that there are frequently times of popular excitement in this country when the people, uninformed perhaps of the real status of the case, think they want something which a short time afterwards

they are very glad they failed to get. Sectional influences may have their effect in connection with such matters. It is not necessary for me to detail them to so astute a mind as that of the Senator from Missouri; but, as I think, Mr. President, it is a very wise thing to try to eliminate from this commission every suspicion of unfairness that we can.

That was all the motive I had in suggesting the amendment. I will be glad to support any amendment which the Senator from Missouri can think of that will make it difficult for the members of this commission to be subject to the influence of any private individual. I have no quarrel with him on that ground.

Mr. O'GORMAN. Mr. President, if the suggestion embodied in the amendment offered by the Senator from Rhode Island were made general law, it would be far less offensive than it is in its present shape, when it is directed to officials provided for in a pending piece of legislation. If the Senator from Rhode Island believes that public confidence in the commission will be promoted by his suggestion, I think he is likely to be disappointed. How can we promote or invite public confidence in the integrity of public officials when in the particular act of their creation we indicate great doubt as to the integrity which will mark their performance of official actions?

We say they are unworthy to hold or will not be permitted to hold office for a particular period after the termination of their immediate employment.

It is believed that the safeguards furnished by the Constitution are ample to insure the selection of worthy and proper citizens for the discharge of public duties. It is to be assumed that the President in naming these commissioners will first satisfy himself that they are capable; that they are honest; that they are faithful to the Constitution; and it should be equally assumed that when those nominations come into the Senate, before they are confirmed, Senators will satisfy themselves that the persons so selected by the President are honest, capable, and faithful to the Constitution.

Of course, there have been times in the past when the expectations regarding public officials have been disappointed, but we have a remedy in the Constitution. Where men are faithless to their trust, they may be impeached and removed; and why, in addition to these safeguards, should we attempt to impose upon these particular officials this manifestation of our avowed doubt of their integrity, their fairness, and their devotion to the public?

Mr. LIPPITT. Mr. President, in answer to that question, I will say that we are not imposing upon the members of the commission a condition that implies doubt of their integrity; but we are giving to them the reason why we should surround them with greater safeguards, which is that we are intrusting to them greater power than we have ever intrusted to any other men in the country.

Mr. O'GORMAN. Does the Senator think that they will possess greater powers than are now confided to the justices of the Supreme Court of the United States?

Mr. LIPPITT. I do, for this reason: These men are first put in a position where they collect the evidence and then they may bring charges. Having by the authority of the law been put in that position, they then turn around and are put in the position of judging of the integrity of the very evidence that they themselves have collected. That is an extraordinary position to put men in; and under such circumstances the Senator from New York, as much as anybody in this country, wants to uphold the integrity and the fair reputation of these judges or these quasi judges—if I may call these commissioners such.

That is all that I am trying to do. I do not think that by merely suggesting in this amendment one form of temptation which may come before them, and trying to remove that temptation, we are doing anything to imply any distrust of the integrity of the members of the commission.

Mr. O'GORMAN. Mr. President, it is distinctly avowed here on the floor of the Senate by the proponents of this suggestion that this is intended to restrain those infirmities to which, perhaps, the best of men may at some time be exposed when under temptation. The point that I desire to make is that if we have reached a time in this country when we can not with perfect confidence select worthy, honest, and capable men for the discharge of any public duty without imposing such further restraints as are expressed in this proposition, then we have reached an unhappy day in the life of the Republic.

Mr. LIPPITT. Well, Mr. President, that is, perhaps, true; but in legislation now pending we are trying to remove from the field of temptation men who are honorable and of high integrity. We are saying that a man shall occupy but one directorship, because, however great his integrity may be, as it has been expressed, it is impossible for a man to serve two masters; that in two directorships he can not be fair to both sides. I personally do not quite agree with that. Nevertheless, the whole purpose, the whole process, of the law is to surround men with barriers over which they are not intended to pass; to say to them, "Within this sphere is the ground of your duties, and you must not go outside of it."

Certainly, Mr. President, whatever we can do to make these men have the sole ambition of performing well the duties of this office, and look to no other reward except the reward of the verdict of the public of "Well done, thou good and faithful servant," is greatly to be desired.

Mr. O'GORMAN. Does not the Senator from Rhode Island recognize, as pointed out by the junior Senator from Missouri, that by his proposal he is not only excluding these men from public approbation, but he is holding wide the opportunity of preference through private enterprises?

Mr. LIPPITT. Mr. President, I shall be delighted to have the Senator from New York suggest some further amendment to the bill that will remove these men from the possibility of being overpersuaded by any private inducement.

Mr. O'GORMAN. The Senator recognizes that that is a defect in his proposal?

Mr. LIPPITT. But the fact that in one little amendment we can not cover all the ground of temptation is no reason for not covering the ground we can cover. If there is any law needed to prevent bribery, to prevent undue influence on the part of great interests or of small interests, and the Senator will formulate the language by which that is to be accomplished, I have no doubt I shall be glad to vote for it.

Mr. O'GORMAN. The Congress of the United States can not prohibit a citizen from entering private employment after he leaves public employment, unless it be with respect to those matters, such as national banks, which are under congressional control because they operate through congressional permission and action; so it is impossible to remedy the Senator's proposal in the way indicated.

Mr. LIPPITT. I was aware of that, Mr. President, or I should have enlarged this amendment so as to include some such thing.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Texas to the amendment of the Senator from Rhode Island.

Mr. VARDAMAN. I ask that the amendment may be stated.

The VICE PRESIDENT. The Secretary will state the amendment to the amendment.

The SECRETARY. In the proposed amendment of the Senator from Rhode Island, which reads as follows:

> And no person who is or has been a member of the commission shall be eligible for any other office under the United States—

And so forth, the Senator from Texas proposes, before the word "office," to insert "statutory," so that it will read "any other statutory office."

Mr. VARDAMAN. Mr. President, it strikes me the amendment is unnecessary. I realize that the powers given to this board are very great, and that the benefit which the public shall derive from this law will depend entirely upon the administration of it. It is a case where, as expressed by Pope—

> For forms of law let fools contest;
> Whate'er is best administered is best.

I think we can very well afford to leave the settlement of this matter to the people of the country. I do not think all the wisdom and all the patriotism is bottled up in the Senate. I think the American people can be trusted to make their own selection; and if a man, in the performance of the function of that place, has done his duty well, has shown himself fit for official station, there is no reason why he should not be called to serve the people in some other capacity.

As said by the junior Senator from Missouri, if a man is prohibited from taking employment at the hands of the people as a reward for service well rendered, you can not by any law prohibit him from taking employment from a corporation that he may have served there. If you could do that, you could say that he should not be employed by anybody. Then there would be nothing left for the man to do except to go to the poorhouse, to the lunatic asylum, to the penitentiary, or somewhere else. He would be entirely debarred from taking employment at all. With all due respect to the proponents of the measure, it is absurd.

I repeat, we can well afford to leave this matter to the common sense, the patriotism, the honesty, and the good judgment of the American voter. It is useless to try to tie a man who is inherently dishonest. If he can be bribed with the hope of office, he can be bribed with money; and as you can not prohibit him from taking employment with a corporation which

he may serve in the capacity of commissioner, I think it is futile, it is unnecessary, to say that he should not be employed by the people, if he has shown himself to be capable and worthy of their confidence and they want him for further service.

Mr. SUTHERLAND. Mr. President, in saying what I did a few moments ago with reference to this matter I spoke merely from my recollection. Since then I have sent for the first volume of Watson on the Constitution, in which this subject is discussed. At page 157 he discusses the question as to the power of the State to add to the qualifications of Members of Congress, and calls attention to numerous authorities which hold that that can not be done. At page 160 he says:

> If a State could require a candidate for Congress to have additional qualifications to those prescribed by the Constitution, its power would be equal to that of the Constitution, and it could add any additional qualifications it chose.

I think the same statement would apply to an act of Congress. If Congress could superadd to the qualifications, it would then possess a power equal to that of the Constitution, and, indeed, would possess a power practically to amend the Constitution.

Further on, however, this general statement is made, being a quotation from the case of Thomas *v.* Owens (4 Md., 23), and that states this general rule:

> When a constitution defines the qualification of an officer, it is not within the power of the legislature to change or superadd to it.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Texas to the amendment of the Senator from Rhode Island.

Mr. LIPPITT. Mr. President, in the light of what the Senator from Utah has said and the authority that he quoted, I will accept the amendment proposed by the Senator from Texas.

The VICE PRESIDENT. Then the question is on the amendment as modified.

Mr. BRISTOW. Mr. President, I should like to make an inquiry. As modified, does the amendment leave the officer or member open to receive an appointive office? I am asking the author of the amendment.

Mr. LIPPITT. I beg pardon; I did not hear what the Senator said.

Mr. BRISTOW. The amendment as it reads now, as I understand, provides that a member of this commission shall not be eligible to hold a statutory office.

Mr. CULBERSON. That means any office which is created by a statute, in contradistinction to the Constitution.

Mr. BRISTOW. I think he ought to be permitted to be elected to any office to which the people want to elect him, but I do not believe he ought to be eligible to be appointed and transferred from one office to another, because that gives the executive branch of the Government authority to influence his decision through the hope of promotion. I am perfectly willing for him to be promoted by the people of the United States whenever they want to promote him at an election, but I do not want advancement by appointment to be held open to men in order to influence their action as public officials.

Mr. REED. Mr. President, may I ask the Senator from Kansas a question?

Mr. BRISTOW. Certainly.

Mr. REED. I trust he will not take the question as offensive, for it is not so meant. If he was the proprietor of a trust and knew that he was likely to be called before this board at any time, would he not like to have a provision in the law which prohibited members of the board from ever holding public office and left it entirely open for members of the board to take employment from his trust? Does not the Senator think that a trust interest that expected to be called before this board would be the very interest that would want to have the members of the board deprived of any chance for public office or public honors rather than that that cry should come from the people who are supposed to be protected?

Mr. BRISTOW. My observation is that a trust, when it wants to get its friends in public office, does it through the Executive. I cite the Interstate Commerce Commission as it is now constituted, referring to the last appointee, and incidentally to his decision in regard to the rate case the other day.

Mr. WEST. Mr. President, I would propose to change the amendment that says "for one year after the expiration of his appointment," so as to make the appointee ineligible to hold office during the term for which he was appointed. That principle is embodied in the organic law of many of the States of this Union. It seems to me that would be sufficient, and it would occasion no reflection on the great men who are appointed to this office. Besides, it would keep these men, after they have become efficient in this office, in there during the term, and they would not be seeking some higher elevation in other positions.

The VICE PRESIDENT. The Senator from Georgia will send his amendment to the desk.

Mr. REED. Mr. President, let me call the attention of the Senate to just one illustration. I do not want to prolong this debate; but if this rule is good as to this commission, it ought to be good as to the Interstate Commerce Commission. Suppose we had had such a rule about the Interstate Commerce Commission, Mr. Lane could not have been appointed to his present position. Has the country been wronged in any way by that appointment? I think not. Suppose we organize this board, and we develop upon it some master mind, and he could be of great use upon the bench, do you propose to say he shall not be advanced upon the bench? Why, even with all the safeguards we have thrown around our courts we have never denied the judges the right of being advanced.

It seems to me that this amendment is exactly the wrong thing. At the risk of repetition let me say that there are two influences that probably are at work on every man who holds a public position. I do not mean that the influences are directly asserted, but they exist. Applying the statement particularly to this board, one of those influences would be the great combinations and great trusts brought before the board. The other is the general influence of the public. Now, if I were a trust magnate I would want the influence of the public absolutely cut off. I would want to fix it so that no man upon this board could ever hold another public office. I would want to fix it so that if he ever got any reward in the world he would have to get it through some other source than public favor or public confidence. Then I would want to have the door wide open, so that as he sat and looked out upon the world and saw his term of office expiring he would see no place where he could hope to get employment or make a livelihood except to go to work for me.

That is the situation that is presented here. Why should not a man who serves well and faithfully upon this board be advanced to office, become a Member of Congress, be appointed to the bench, or become a member of the Cabinet? We surely can trust something to the public conscience in matters of this kind.

Mr. NEWLANDS. Mr. President, with the Senator's permission I will state that with the consent of the author of the amendment I ask that it be referred back to the committee.

Mr. REED. That course is satisfactory to me.

The VICE PRESIDENT. Is there objection? The Chair hears none.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by I. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (S. 3176) to increase the limit of cost of the public building at Bangor, Me.

The message also announced that the House had passed the bill (S. 5673) to amend an act entitled "An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States, or their successors in interest," approved March 2, 1911, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendments of the House to the bill (S. 6192) to amend section 27 of the act approved December 23, 1913, and known as the Federal reserve act.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 92. An act to extend the general land laws to the former Fort Bridger Military Reservation in Wyoming;

H. R. 1818. An act to regulate the interstate transportation of immature calves;

H. R. 11822. An act to acquire, by purchase, condemnation, or otherwise, additional land for the post office, courthouse, and customhouse in the city of Richmond, Va.;

H. R. 14155. An act to amend an act of Congress approved March 28, 1900 (Stat. L., p. 52), entitled "An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College and a western branch of the State Normal School thereon, and for a public park";

H. R. 16296. An act to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives; and

H. R. 18202. An act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred to the Committee on Public Lands:

H. R. 92. An act to extend the general land laws to the former Fort Bridger Military Reservation, in Wyoming;

H. R. 14155. An act to amend an act of Congress approved March 28, 1900 (Stat. L., 52), entitled "An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College and a western branch of the State Normal School thereon, and for a public park"; and

H. R. 16296. An act to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives.

H. R. 1818. An act to regulate the interstate transportation of immature calves was read twice by its title and referred to the Committee on Interstate Commerce.

H. R. 11822 An act to acquire by purchase, condemnation, or otherwise additional land for the post office, courthouse, and customhouse in the city of Richmond, Va., was read twice by its title and referred to the Committee on Public Buildings and Grounds.

REGISTRY OF FOREIGN-BUILT VESSELS.

H. R. 18202. An act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes, was read twice by its title.

Mr. O'GORMAN. I desire to offer an amendment to the bill just read and to have it referred to the appropriate committee.

Mr. BURTON. May I ask that the notice be repeated?

Mr. O'GORMAN. I ask that the Secretary may read the amendment which I send to the desk.

The VICE PRESIDENT. Without objection, the amendment will be read.

The SECRETARY. It is proposed that section 2 be amended by inserting after the second paragraph of said section a new paragraph reading as follows:

Under like conditions the President of the United States and the Secretary of the Navy are hereby authorized to direct that the navy yards of the United States and all their equipment and dockage facilities be used for the purpose of repairing and keeping in a seaworthy condition all merchant vessels to be or now registered under the American flag under such conditions as in their discretion are just and equitable: *Provided*, That such additional use of said navy yards and their equipment shall not in any way interfere with the paramount purposes of the Navy of the United States.

The VICE PRESIDENT. The bill and the amendment will be referred to the Committee on Interoceanic Canals.

MEDIATION IN EUROPEAN WAR.

Mr. McCUMBER. I ask unanimous consent to offer a Senate resolution, to be referred to the Committee on Foreign Relations, so that it may be printed to-day and we may have it before the committee at our meeting to-morrow.

Mr. SMOOT. Unless there is some special reason why it should be offered now, I must object.

Mr. McCUMBER. The special reason is that I should like to bring it up to-morrow at the committee meeting. It is very short. The purpose of the introduction is simply that it may be printed. I hope the Senator will not object.

Mr. SMOOT. I will ask the Senator in what shape it is. Is it a resolution to be acted upon by the committee?

Mr. McCUMBER. By the committee. I want to have it referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. McCUMBER. I ask that it may be read, so that it may go into the RECORD.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 435), as follows:

Whereas a war is now pending in Europe, the magnitude of which threatens a destruction of life and property and a devastation of resources greater than any disaster that has overtaken the world during all of its recorded history; and

Whereas the people of the whole world must in the end share in the appalling suffering and loss thus entailed upon future generations; and

Whereas the United States is the only great power of the world whose national interests are not directly affected by the causes or results of said war; and

Whereas the interest of the peace, prosperity, and happiness, as well as the dictates of humanity, demand that every possible effort shall be made to check and prevent the horrors and devastation of such war; and

Whereas by race, blood, and affinity the citizenship of the United States represents all of the warring elements in that strife, and the friendly offices of this country would be thereby freed from the imputation of unfair sympathies with or prejudices against either of the contending countries: Now, therefore, be it

Resolved by the Senate of the United States, That it is the judgment of the Senate that the President diplomatically approach the said countries of Europe and offer the good services of this country in securing, by mediation or arbitration, the friendly settlement of their international differences, to the end that this calamitous war may be averted.

The VICE PRESIDENT. The resolution will be referred to the Committee on Foreign Relations and printed.

AMENDMENT OF FEDERAL RESERVE ACT.

Mr. OWEN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6192) to amend section 27 of the act approved December 23, 1913, and known as the Federal reserve act, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to a substitute therefor as follows, to wit: After the word "and," in line 9, page 3, insert: "to suspend also the conditions and limitations of section 5 of said act, except that no bank shall be permitted to issue circulating notes in excess of 125 per cent of its unimpaired capital and surplus. He shall require each bank and currency association to maintain on deposit in the Treasury of the United States a sum in gold sufficient in his judgment for the redemption of such notes, but in no event less than 5 per cent. He"; after the word "to," line 12, page 3, insert "as herein amended."

That the House recede from its amendment numbered 1, and agree to the substitute as above set forth.

ROBERT L. OWEN,
G. M. HITCHCOCK,
KNUTE NELSON,
Managers on the part of the Senate.

CARTER GLASS,
C. A. KORBLY,
E. A. HAYES,
Managers on the part of the House.

Mr. OWEN. I ask that the conference report be agreed to.

The VICE PRESIDENT. The question is on agreeing to the report.

Mr. BRISTOW. Mr. President, because of the earnest desire of the Treasury Department for legislation I do not intend to oppose the conference report, except to express my views. I think that 125 per cent of its capital and surplus is too large an issue to permit a bank to make. I think the Senate amendment should have been adhered to. I also believe that the gold reserve which was not incorporated in the original bill is a desirable feature, but that the per cent should have been more than 5—that it should have been at least 10.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

FEDERAL TRADE COMMISSION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

Mr. LIPPITT. Mr. President, until recently upright American business men regarded the American Government as their friend, and justly so, for the prosperity of industry was recognized by the Government as a necessity to all parts of the public. The officials of the Government were predisposed to assist in bringing it about. To help in creating and maintaining it was regarded as one of the first duties of Government employees. Thus, the Agricultural Department was devising means to help the farmers by scientific study of farm operations, by distributing reports of investigations, by special examinations where they were asked for. The Forestry Bureau was established to assist in bringing about better forestry methods; it studied the subject and sent its agents out to teach more scientific systems. In the same way our Consular Service was utilized. It began to gather information from foreign countries, and a most excellent and efficient system of daily reports was established to make the information available. The Pan American Union was established to promote Central and South American trade, to give aid and information to the exporters of this country, and to help them in extending their markets. Irrigation projects of great importance were under-

taken, holding out the promise of great benefit to the people of certain sections of the country. The construction of the Panama Canal was undertaken. All of these and other things like them created an atmosphere of friendliness and helpfulness throughout the official world. Nothing perhaps contributed more to this official disposition than the established policy of protection, for the very basis of that policy is the belief that it is a proper function of the American Government to aid American industry. So, through all departments there was a spirit of helpfulness, and constructive legislation was the fashion of the time. Punishment, where punishment was necessary, was the function of the Attorney General and his staff, and was left to them to perform.

But recently this condition has changed. Circumstances arose that induced a different frame of mind. The Nation began to be very prosperous, a prosperity that was generally shared in by all occupations: the laborer, farmer, merchant, and manufacturer were all doing well—in most cases were doing very well, indeed. But here and there a few were doing better than the average, and perhaps unduly better. So some of us, overlooking our share in the general betterment, became a little envious and others became a little frightened—perhaps not altogether unjustified; but, like most human tendencies, it was exaggerated. We saw a vision of all wealth, and hence of all power, being gathered together into a few hands.

People began to counsel together as to what they should do about it. The public press, quick to respond to the thought of the day, found a profitable field in attacking wealth and its owners. The yellow newspapers and the muckraking magazines were the popular literature. Then Government officials began to have a different view; the idea of helping trade ceased to be the prevailing thought of official life. To discover and punish malefactors of great wealth was substituted for it. The Interstate Commerce Commission attended to the railroads; the Attorney General looked after the trusts; the departments gave all the help they could, and whatever suspicions thing the press and the Nation overlooked the States took a hand at. Congress has shared the spirit of the times. We have had investigating committees galore. The Steel Trust and the Tobacco Trust and the Money Trust and the stock exchange and the cotton exchange and the lobby have all been looked after, and we have learned a great deal about a great many people. Then we thought that perhaps the tariff helped some Americans to get too rich, so we changed that, too, and turned some of our work over to the people of other countries to see how our people liked being without it.

And, in consequence of all this, many Government officials are acting as though they believed the successful detection of something improper or criminal was the only road to popularity, and as a result even the 99 per cent of honest and upright business men of the country have become afraid of the Government. They are suspicious of it, for the threat of something to come is in the atmosphere. So they are hesitating about going ahead. They are waiting to see what is going to turn up, and, as a result, initiative is paralyzed and progress halts.

This movement was perhaps necessary to meet the situation that existed. There was a real danger to be met, but the methods that were used to meet it are destructive methods. They had to be; but, Mr. President, it is not good policy to go any further along that line than is absolutely necessary. We have already gone a long distance in that direction, and the business situation in this country is already showing signs that perhaps we have gone too far. We are a progressive people. We want to build things up, and we can not do that by unnecessarily hampering those processes of trade that the circumstances of our generation call into existence.

Nevertheless, it seems to me that it is in that frame of mind that this bill has been prepared, for it is a punitive bill throughout all its provisions. It proposes to establish what is practically a new department of the Government, in the form of a trade commission, but there is nothing in any part of the bill to suggest that this new department is to look for opportunities to help trade. On the contrary, it is establishing an extraordinarily clumsy instrument to rake over all the activities of commerce with a fine-tooth comb, subjecting everybody engaged in it to inconvenience, annoyance, and expense, to see if somewhere or somehow some unsuspected wrongdoing can not be brought to light. It offers no helping hand to upright merchants. It is only adding a new and untried kind of police and detective force to those we already have. The name "trade commission," at first thought, suggests something helpful. We have an Agricultural Department, and it is the duty and practice of that department to help the farmer. This year's appropriation for that purpose is nearly $10,000,000. We have recently established a Department of Labor, and it is actively looking for opportunities to assist the laborer and make his lot easier. But there is nothing of this sort in the legislation now proposed. The commission is given the most extraordinary powers for investigating trade and manufacturing, but the sole purpose of that investigation is to discover something to punish.

I do not believe the establishment of such a commission is wise at this time, and I have come to this conclusion in spite of a former belief to the contrary. When I first came to this body in 1911 I was very strongly of the opinion that a trade commission of some sort was advisable. As a member of the Interstate Commerce Committee, almost from the beginning of my term, I have had this subject continually under consideration. That committee has held extended hearings on this subject at which a very large number of witnesses have appeared and given their views in regard to a commission, and in various ways that committee has had the subject of trade regulation before it during all this time. As a result of such consideration, I have changed my mind on this subject, and do not believe that the time has yet come when this legislation is necessary. I think that such a commission and such legislation as is now proposed, instead of doing anything to clarify the situation, will complicate it and that such a commission as is now proposed is extremely unwise. I am opposed to it because of the enormous and arbitrary powers which are intrusted to it, because the purposes for which these powers are to be used are not limited nor defined, because to confer such powers on such a body is dangerous and an infringement on the reasonable liberties and independence of the people, because the methods this commission are to use are a most roundabout and inefficient way to accomplish the purposes so far proposed for it, because it will be most costly to the Government and to a far greater extent to the people themselves, and because it is unnecessary.

The attempt has been made to create a feeling that this commission is a harmless thing, that nothing in particular is going to result from its creation, that it will be a sort of a good-natured body which, in a fatherly sort of way, will caution business men and in a friendly spirit take them under the arm when they have stumbled and gently lead them into the paths of righteousness. Thus the distinguished Senator from Nevada, who has charge of this bill, says that "it is a very simple bill" and compares the powers of the commission with those of the Bureau of Corporations, to show how little they may be feared.

In a speech introducing the bill, June 25, speaking of its powers, he says:

> Those powers are somewhat enlarged over those of the Bureau of Corporations, but they are not materially enlarged. The Bureau of Corporations did not find it necessary to use coercive powers with the corporations of the country. It used its power wisely and discreetly, and usually succeeded in getting all the information that it required. We heard of no abuse of personal rights under that organization, and I take it that the outcry raised against the so-called inquisitorial powers of this commission will be found in practical experience to have been unnecessary.

I find that the impression thus sought to be conveyed exists in the minds of many business men, and they are rather inclined to favor a commission on the ground that it will ward off something worse, but I do not agree that the Bureau of Corporations in the slightest degree offers an analogy to what the operations of this proposed body will be. If that view of the case is true, and this trade commission is to be nothing more than a slightly enlarged Bureau of Corporations, then all of us here are wasting our time, both those who advocate the measure and those who oppose it, and the consideration it has had by the trade organizations and the business men of this country is time thrown away, for great results will not be obtained by a powerless commission. Neither great regulative and beneficial results will be obtained, such as those favoring this measure hope for, nor will any of the dangers ensue that those people fear who see in it a tyrannical creation pursuing its course unhampered by the restrictions which have heretofore protected the innocent from the undue interference of the representatives of the law. Even the Senator from Nevada himself, I think, in reality does not expect that this commission will be any such harmless and inefficient body, for, in another part of his speech in introducing this bill, he says:

> Mr. President, I believe that if this act is passed there will be a marvelous change in the business conditions of the country for the better.

And in the report which he made to accompany this bill when it was introduced, referring to the Bureau of Corporations, he says:

> The field which has been covered has necessarily been restricted and its organization as a division of an executive department under a single head, reporting only to the President, has not given it either the authority or prestige which attaches to an independent commis-

sion, such as the Interstate Commerce Commission. Yet the need of such a position is quite as necessary in the governmental supervision of industrial activities as of railroads. The establishment of a trade commission at the same time that the Interstate Commerce Commission was established would have prevented the extraordinary development of monopolistic organizations in industry.

I think this latter picture of the extent of the powers and influence of this commission is the real one. I do not think that its results would be for the better, but that it will produce a marvelous change in the conditions under which business is carried on I do not for a moment doubt, and I do not for a moment doubt that that is the real result that the few people on this floor who sincerely believe in the advisability of this measure and the few people throughout the country who understand it and sincerely believe in it expect.

To see that this commission is not meant to be simply a slightly enlarged Bureau of Corporations, it is only necessary to look at the respective duties assigned to the two bodies. The duty of the Bureau of Corporations is to make—

diligent investigation into the organization, conduct, and management of the business of any corporation—

And to report—

to the President from time to time as he shall require.

The trade commission is given authority to investigate as often as it desires and to require annual reports from all corporations engaged in interstate commerce and to require such special reports from any of them from time to time as it may deem advisable, and it reports the result of its activities annually to Congress instead of reporting only to the President as he shall from time to time require. This contemplates an entirely different sphere of operations for the trade commission from that assigned to the Bureau of Corporations. It is manifestly intended that the entire trade of the country, so far as it is in corporate form, shall be under its constant supervision and subject to its inspection. The bureau has dealt with only such particular corporations as from time to time gave indications, from the character of their operations, that there might possibly be connected with them some violation of the law. The creation of this new body contemplates, and more or less requires, investigation into the affairs of every corporation in the hope that by so dealing with all the large percentage of properly conducted business the few cases of wrongdoing will in some way be discovered. Moreover, as the Senator from Nevada has well said, the prestige and authority of a commission composed of five members, at a salary of $10,000 each, is an entirely different proposition from a single head of a bureau with a salary of $5,000 and who is himself, to a certain extent, under the control of his department chief.

But the essential difference, after all, is in the amount of money that Congress may place at the disposition of the two bodies. The Bureau of Corporations had an appropriation last year of $251,300, of which $78,300 was for salaries and $173,000 was for the performance of the various duties assigned to it. The Interstate Commerce Commission this year has an appropriation made for it of $3,500,000, and the chief reason it is able to cover the large field in which it is engaged is the size of the appropriation that is made for it by Congress. Congress, it is true, will still have the power of enlarging or limiting the activities of this new trade commission in proportion as it chooses to appropriate money for it, but it is scarcely to be doubted that the influence of a commission composed, as that probably will be, of energetic and ambitious men, intent upon establishing their importance and enlarging the scope of their activities, will be able to give plausible reasons for ample appropriations.

Moreover, the duties that will be assigned to this commission undoubtedly will constantly grow. The bill itself now before the Senate is an evidence of this. For several weeks the bill as it was discussed in the committee which had it in charge simply contemplated a commission with powers of investigation and of reporting. But within a very few days before the bill was reported to the Senate, section 5, assigning to it the entirely new duty of controlling the nebulous field of unfair competition, was added to it, and in the Clayton bill, since reported, still other important duties are assigned to it. The mere existence of such a convenient body will be a constant invitation to everybody with a grievance, in or out of Congress, to try to put upon it the additional duty of overseeing the particular thing that may be troubling them. And it will be very easy for designing individuals to take advantage of this opportunity in those times of popular excitement which, under the instigation of a sensation-loving press, are constantly occurring, to find opportunities of employing this trade commission. Powers and duties once given to the commission will be very difficult, as a practical proposition, to ever withdraw; so, once created, the extent to which it will likely grow is almost impossible to foresee. It is only human for the commissioners themselves to be constantly seeking opportunities to enlarge their powers.

Therefore, in considering this legislation, I think we must not suppose for a moment that we are establishing anything but a strong and powerful body which is going to have a vast influence upon the future business development of this country. The President thinks it is of such importance that he is using all his great influence to compel the passage of this measure at this session of Congress. He certainly would not think this was necessary if he thought what was being done was unimportant. Feeble things are not effective things, and if the President thinks this course is necessary, he thinks so because he believes that what is being created is going to be a powerful and controlling body.

The powers given to the commission are such that it must act at times as a sort of national police or detective force prying, in the name of investigation, into the doings of practically everyone engaged in business; and doing it not because there is necessarily any apparent evidence of wrongdoing, but because that is made the general duty of the commission—the primary purpose for which it is created—and the success of the commission depends upon their finding somebody guilty of something. Therefore they are given an incentive to believe every act wrong which on its face is of a doubtful character.

If the commission went ahead three or four years under these broad detective powers, and no case of wrongful action were discovered by them, it would be manifest that there was no occasion for their existence at all. Therefore, in order to keep their office, in order to justify the creation of the commission at all in the sight of the people, they must necessarily find somebody to punish. It is very easy for anybody so disposed to find actions that may be given a suspicious character. I do not believe there is a group of business men in this country whose operations have been continued for any length of time, however innocent in reality they may be of any wrong intention or wrongdoing, whose actions when subjected to the minute scrutiny of an overzealous searcher for trouble would not be capable of some interpretation that might be very difficult to explain. All the reasons and causes which lead up to the involved operations of modern business are not spread upon the books or the records of corporations. They could not be, for they would make these records too voluminous to be useful. These causes and reasons exist only in the knowledge of the men who are acting from day to day, often under the pressure of immediate decision, and all that appears as of record is the result of what was done, that such and such a vote was had, that such and such a sale was made. The memories of the men who conduct these operations are naturally unreliable; they have no occasion ordinarily to charge their minds with all the circumstances of the cases, and the men themselves pass away or change to other employment, so that it is impossible to obtain the evidence. I have had many such cases in my own experience where it has been a practical impossibility to explain exactly the circumstances of transactions that have occurred even after the lapse of a comparatively brief time. The memories of the people engaged in them were too vague and conflicting to give any certain information. When such conditions are put under the critical eyes of employees of a commission predisposed to be critical there will be no end to the annoying charges that business men will be subjected to.

I think it is also a great source of danger that in addition to the commission being first charged with these detective duties it is also empowered to act in a judicial capacity, for the commissioners will come to the judgment seat in many cases with the case prejudged. As it is the evidence their own representatives have collected which is the basis of their decisions, they must have every disposition to uphold its integrity, and in this respect they are given a broader power than any court in the land. The case the judge decides is one in whose make-up he has had no part. It is brought before him by the parties interested, and if the Government is one of them it is the United States attorney who is responsible for the correctness of the charges upon which the case rests and the evidence presented is of his selection. No pride of consistency, so far as the judge is concerned, is involved in the proceedings at all. Just the opposite will be the situation in many of the cases that this commission is called upon to decide, for before the accused can be brought before them and their side of the case heard, the commission must have already decided that the evidence is entitled to some standing. Under these circumstances, it would not be human nature, however great the desire of the commission to be just might be, for them to be impartial, and when you add to that the fact that the continuance of the salaries upon which

they live depends upon at least some of the charges being sustained, how can it be possible for such a tribunal to be entirely without prejudice? It is contrary to all the principles and theories upon which our American system of justice has been founded. Entire confidence in the disinterestedness of the court is the basis of the trust with which the American people submit their differences to its decision. To introduce this other element at all seems to me a most dangerous innovation, even if it were applied to the simple things about which men differ, but when such a tribunal is to pass upon the intricate and technical operations of general business, such a condition is fatal to fairness and justice.

Just how costly this commission is going to be is very difficult to forecast, but that it will be immensely expensive I think no one who gives thought to the subject can doub.. It will be expensive to the Government. The Interstate Commerce Commission, dealing with only some 3,000 organizations, and those engaged entirely in one business, that of transportation, has already grown so that the appropriation for this year, as I have already stated, will be $3,500,000. This trade commission will have to deal with a very much greater number of organizations. The guide we have as to what that number will be is that there were about 309,000 corporations that reported under the corporation-tax law this last year. Some of these are of very little importance, and others, like banks, etc., are not subject to the commission; but some of the witnesses in the hearings before the committee estimated that there would be at least 200,000 corporations that would come under the control of this trade commission. And these are not engaged in a homogeneous business as are the transportation companies, but in producing all the great variety of products that are required to meet the modern demands for necessities and luxuries. I scarcely suppose the expenditures of this body will bear the same relation to those of the Interstate Commerce Commission as the number of trade corporations bears to those of transportation corporations, but I do expect that to perform properly the duties that are committed to the commission, and which the commission will be anxious to perform—and which they must perform or there will be no reason for their existence—will before long require very much larger appropriations than are now being mad for the Interstate Commerce Commission.

The Senator from Massachusetts [Mr. WEEKS] in his address upon this subject went into the question of the cost of this commission to the Government in a very elaborate and complete way. I do not want to do more than to call attention to that side of the question, because he has so amply covered the ground; but what I want particularly to call attention to is the fact that the cost to the Government is not the real cost to the community of such a body; it is the cost to which the business of the country is going to be put in meeting the requirements of the commission that demands consideration.

One of the witnesses testified that he thought $100 would be a moderate estimate of the cost to each corporation that has to make annual reports. He had no particular basis on which to make his estimate, but he was apparently familiar with subjects of this kind. If he is correct, it would mean that for this item alone $20,000,000 would be added to the present cost of producing the merchandise of the country.

I will say that later on the witness to whom I have referred, Mr. Shaw, editor of System, a Chicago magazine of business, sent a letter to the committee saying that he had revised his estimate of the cost of these annual reports and that, instead of $100, he thought at least $200 would be required for the purpose.

Another witness before the committee, Mr. Bennett, of New York, went into the matter to some little extent, and subsequently wrote an article in regard to the matter for the New York Sun. In the course of that article he stated that he thought the cost of the commission will amount to $58,000,000, and he goes into a very elaborate explanation of the figures and the calculations by which he arrives at those figures. It is impossible of course for anybody to say exactly what the cost will be, but nobody who has given it any attention at all has arrived at any other conclusion than that the cost must be enormous.

The testimony given by these witnesses related to the cost of annual reports. As to what the cost of making special investigations will be I have not found any very reliable basis for an estimate. I presume the data exist somewhere, but I have asked in several directions without getting very much information. It certainly must be a matter of very serious consequences, so serious—not merely from the actual expenditure of money, but from the equally if not greater importance of interruption of business and diversion of thought to the details of what is often a long, dragged-out lawsuit—that paying any reasonable fine without trial in ordinary cases would perhaps be preferable as far as the cost is concerned to a verdict of not guilty. I did find one or two straws that throw some light on the cost of these investigations. In the case just decided by the Interstate Commerce Commission, for permission to increase rates by the eastern railroads, the cost of making out the new rate schedules for the Pennsylvania Railroad alone was $450,000, and the estimate of the cost for all the roads engaged in the suit is estimated at from $1,500,000 to $1,800,000. This is for the sole item of preparing the new rate schedules. So far as the decision is against the railroads, or so far as it is for any compromise rate less than what they ask for, the cost of all this work will have been thrown away and new schedules will have to be prepared, at whatever additional cost it may be. What the whole expense of presenting this request to the commission may have been to the railroads I do not know, but that it is no inconsiderable item is evident from this statement.

An item appeared not long since in the press, stating that a prominent western railway official had said that—

> The expenditures per annum for statistics required by various State railway commissions, the expenses of hearings on rates and other matters, and all the other details that go to make up railroading by commission amounted to $250,000 per annum, and added, "We never know what information a State commission may ask, so we must be prepared to furnish at a moment's notice figures on every conceivable subject relating to railroading. To do this a large office force with expert statisticans is kept busy the year round."

In the report to the stockholders of the present president of the New York, New Haven & Hartford Railroad, under date of April 11, 1914, referring to some causes of increased expenses, he says:

> The cost of accounting 10 years ago was $190,000 per year. At the present time it is about $500,000 per year. While the increase in business has had its effect on accounting cost, part of the increase is due to the accounting requirements of the Interstate Commerce and State Commissions.
>
> The recent Federal act requiring the valuation of railways will increase the expenses of this company about $60,000 per year for several years.

I found upon inquiry that the cost to the Bureau of Corporations of making an investigation of the United States Steel Corporation, which they did two or three years ago, amounted to the enormous sum to the Government alone of $110,994. We have no testimony, so far as I know, as to what the cost may have been to the corporation itself.

All these stray items are sufficient indications of the fact that in starting upon this new system of investigation and of supervision we are going to run both the Government and the trade and commerce of the country into enormous expenditures.

It is rather unfortunate that we have not full information of the cost to transportation that has been caused by the establishment of the Interstate Commerce Commission and State commissions, for however valuable or necessary their services may have been, these items of additional cost are necessary to understand the real situation. In considering the result of this trade commission, therefore, we ought not to lose sight of the costly nature of the experiment. I have no doubt myself that it will add millions and millions of dollars to the cost of production of the articles used in the trade of the United States, and I am sorry that there is not somewhere some more definite information to be obtained upon this very important phase; for the ultimate result of such expenditures must undoubtedly be borne by the consumers of the articles as an addition to the already burdensome cost of living.

To realize fully what these costs are likely to be and to get a clear conception of the relation in which the commission will stand to the business of the country, it is necessary to consider just what its powers are and what its duties are.

It is provided under section 3 of the trade commission bill that the commission shall have power:

(a) To investigate any corporation engaged in commerce as often as it may deem advisable, including its relations to other corporations individuals, associations, or partnerships.

(b) To require the production of all documents in any way affecting its commerce with any individual, association, or partnership.

(c) To prescribe as near as may be a uniform system of annual reports from such corporations or classes of corporations as the commission may direct.

(d) To make public such information, except so far as may be necessary to protect trade processes, names of customers, and

such other matters as the commission may deem not to be of public importance.

To discover the purposes for which the commission is to gather this information we must find what its duties are. It is required of the commission under (g) of section 3 of the trade commission bill that if the commission believes from its inquiries that any corporation, individual, association, or partnership has violated any law of the United States regulating commerce it shall report its findings to the Attorney General. And under section 5 the commission is directed to prevent corporations from using unfair methods of competition in commerce. These are the broad duties it is directed to perform under the trade commission bill.

Under the Clayton bill, now on the calendar, it is authorized to enforce compliance with sections 2, 4, 8, and 9 of that act; that is, under section 2, to prevent any person from directly or indirectly discriminating in prices for the purpose or intent thereby to destroy or wrongfully injure the business of a competitor; under section 4, to prevent any person from making a sale or fixing a price on the condition that the purchaser shall not deal in the commodities of a competitor; under section 8, to prevent a corporation from acquiring any stock in another corporation if it substantially lessens competition between the two or creates a monopoly of any line of commerce; under section 9, to prevent any person being a director in two or more corporations having a capital of more than $1,000,000 and which are, or which at any time have been, competitors, so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws.

It is evident from this résumé that the field of their duties is tremendous, when it is remembered that it applies to some 200,000 units, for it is not merely that they are authorized to do these things, it will be their duty to do them. And the method by which they are to be put in a position to perform that duty are, first, to get an intimation of the situation by requiring annual reports from all the corporations that are subject to their jurisdiction and, second, when they find anything in these annual reports, or from other sources, to cause suspicion to conduct special investigations.

Now, to cover the duties assigned to them, these annual reports will have to be most voluminous. Just what the authors of this bill had in mind would be covered by these annual reports, I do not know. I have not heard it discussed in any committee meeting or elsewhere. Perhaps the idea was merely that it should be a sort of financial statement to show the volume of business from year to year, or of a profit-and-loss account, with the idea of determining who is making too much money. This, perhaps, would not be very burdensome to the people reporting, although it would be burdensome to the commission if they were to make any real use of it, for to tabulate, compare, and digest 200,000 reports is no simple undertaking.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Georgia?

Mr. LIPPITT. I yield.

Mr. WEST. That was the estimate in reference to corporations. If you take in individuals, partnerships, and associations, as well as corporations, would it not exceed 200,000?

Mr. LIPPITT. It is a very curious situation, as I shall point out later in regard to this bill, that while in some cases they are instructed to report the shortcomings of individuals to the Attorney General and to have supervision over their obeying certain laws that are to be passed, they have no authority to get any information in regard to individuals. The trade commission has no power to investigate individuals. The Senator from Washington [Mr. JONES] says that that clause has been amended. I was not aware of that.

Mr. WEST. I do not so understand. I think the position which the Senator from Washington [Mr. JONES] takes is correct.

Mr. JONES. I understand the provision of the Senator from Iowa [Mr. CUMMINS], which has been agreed to, allows the commission to investigate individuals, partnerships, and corporations.

Mr. THOMAS. It does not require statements from them.

Mr. JONES. It does not require statements.

Mr. THOMAS. That is confined to corporations.

Mr. LIPPITT. There have been a number of amendments put upon the bill in the last day or two, and I am not familiar with every one of them. It may be that they do have the power of investigating individuals.

I was saying that to tabulate, compare, and digest 200,000 reports is no simple undertaking. Unless something of this kind is done with them, so that some real action is to follow their collection, manifestly the whole proceeding is a farce and the reports might as well be thrown in the waste-pape. basket.

If these reports are to be published, as seems to be contemplated by the provisions of this bill, and if each one of them occupied an ordinary sized page, the report of the commission would constitute a moderate library each year.

I have here, Mr. President, a book of ordinary size, containing about 1,300 pages. If each one of the annual reports of these corporations occupied a page the size of this book, about 175 books of that size would be required to contain them, and they would occupy a book shelf more than 32 feet long. It is evident that any such voluminous report as that could not possibly be of any service.

But if any such moderate idea was what was originally intended, the duties it is already proposed for the commission to perform have exploded it. The reports would have to be most voluminous if all the trade legislation that is now proposed becomes a law and they are to be of any use.

For instance, under section 2 of the Clayton bill the commission is directed to see to it that no persons engaged in commerce shall either directly or indirectly discriminate in the prices of merchandise they sell. This means the commission would have to find out whether or not there was any discrimination in price either by a special investigation or by these annual reports. If they were going to thoroughly cover the ground, it would seem as though the reports would have to show all the sales made by all the producers in the United States. They could not very well ask the venders to make a report merely of the sales that had been made at different prices, and they could not justly simply pick out certain individuals and compel them to make reports at great expense and interference with their business while their competitors are allowed to go free.

Under section 8 of the Clayton bill the commission is required to see that no corporation acquires any part of the stock of any other corporation, and again the powers put into its hands to perform this duty are these annual reports and special investigations. I presume the annual report, therefore, would have to require a statement from each reporting corporation showing what, if any, stock had been purchased or was held, and a statement perhaps to show whether the purchase did or did not substantially lessen competition.

Under section 9 of the Clayton bill, which provides that no person shall occupy two or more directorships, I suppose the annual report would have to deal with this question, would perhaps have to include a list of all the directors, with an affidavit from each one that that was the only directorship he held, or, in case a man held more than one directorship, there would have to be some statement to show not only that the two corporations on which he was serving were not then competing, but that they never had competed in their whole existence, for this section provides that no person shall be a director in more than one corporation if such corporations are or shall have been theretofore competitors. Just why it is necessary to prevent a man occupying a directorship in two corporations because 20 years ago they might have been engaged in some competitive business but are not now, is one of the things I suppose will be explained to us when the Clayton bill comes before the Senate. On a casual reading of the bill I have not been able to understand the purpose of that provision.

These are some of the situations the trade commission will have to meet under the duties proposed for it by the Clayton bill. In addition to that, in the trade-commission bill, the commission is instructed from its inquiries and investigations to report to the Attorney General whether any corporation, individual, association, or partnership has violated any law of the United States regulating commerce. Just the extent to which reports would be necessary to cover the enormous range of these requirements I have not undertaken to discover.

Moreover, it is provided here that the commission shall report not only upon the violations of law by corporations, but upon the violations by any individual.

I had understood until the remarks that were made a few minutes ago that the commission was not given any power to investigate individuals at all. It was not given any such power in the original form in which the bill was reported, but if it is to have the power of investigating individuals and partnerships and requiring annual reports from them, of course the voluminous nature of these reports will be very much greater than what I have been trying to call attention to, where it was confined only to some 200,000. It will, of course, be evident that if the commission should even remotely attempt to require annual reports to thoroughly cover this situation, the cost of them would put an enormous task upon the business men of the coun-

try, much larger than any figure anybody has yet suggested. Moreover, it is perfectly manifest that such reports would be absolutely useless, for they would involve such an amount of labor for their tabulation or use by the committee as to inevitably swamp it.

What, then, will be the alternative that the commission will adopt? The bill calls for uniform reports. That can not mean anything other than reports from everybody. But, if they cut the Gordian knot and select certain particular corporations from whom they are going to make these requirements, on what principle of selection is the commission going to proceed? Is it to be because some jealous or disgruntled competitor or customer wants to put a corporation to trouble and expense, or what will be the grounds on which some group of business men in this country are set apart from other business men to come under the surveillance of this commission? If the commission are to proceed in this matter simply according to their own will, guided by no definite rule of procedure or by any regulation of Congress, it seems to me that we are creating an opportunity for a political machine, the like of which has never yet been seen even in this country, where ingenuity and ability have been able to create some very efficient examples in that direction. Why, Mr. President, the powers which a body of this kind whose actions will be controlled, if this bill is passed in its present form, by no limitation except such as their own will may determine, is a proposition with opportunities for oppression that it is impossible to exaggerate.

The cost and trouble of meeting an investigation of the complicated business operations of even a moderate sized corporation in this country, when that investigation is conducted by men who for any reason are inclined to be hostile, is something that will well make men pause before they will subject themselves to it. It makes no difference what the ultimate result of that investigation may be as regards the guilt or innocence of the parties, the expense and the trouble of the trial are the same whatever the verdict may be. Everyone knows that in spite of any altruistic ideas or laws to the contrary, the most vital element in conducting a political campaign is to-day, as it always has been, the question of getting the funds to meet its expenses. What sort of power will an administration have in the way of raising political funds with the control of a body having such powers as this trade commission will have. Why, the mere suggestion of an investigation would pour thousands of dollars into the political war chest where hundreds could not be obtained in any other way. What a bungling and uncouth method this is, to subject all the innocent business men of this country to the burden of meeting the requirements of this commission, for the sole reason that perhaps 1 per cent of their number may be found guilty of some wrong. Its operation will be a sort of hunt through the haystack of innocence to find a needle of crime. I suppose some needles will be found, but the results will be out of all proportion to the effort.

I think, therefore, it is evident that this device of a commission to operate through the medium of special investigations and of annual reports and to cover by these means the enormous territory that is assigned to it, inevitably leads to its being swamped by the volume of data it will gather if it endeavors to treat all business impartially, or it will result in gross unfairness and favoritism if it proceeds on some selective principle. And to endow it with such broad powers, the exercise of which against an innocent party will be an intolerable burden financially and an offense to an innocent man's proper pride of self-respect, is introducing an utterly new and unnecessarily offensive practice in the relations between our Government and its citizens and one which will weaken the respect and confidence which citizens ought to have toward the Government, and which they must have for the Government to continue to have the people's cordial support and confidence. It is the very situation which the fourth amendment to the Constitution, the search and seizure clause, which provides—

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized—

was designed to prevent.

Every student of American history knows of the tremendous opposition developed to the adoption of the Constitution, because it did not contain a bill of rights. The State of Rhode Island was the last of the 13 original States to give its approval to the Constitution, and the State did not give it until after the first 10 amendments had been adopted. The State was very much criticized at the time of its hesitation, but it arose perhaps out of the fact that the people of that State had been fighting longer for the establishment of liberty—first the religious liberty and then the political liberty—than any other community of its day. They were very tenacious of the rights they had acquired and, as Madison put it, were determined to prevent the—

> encroachments upon those safeguards which they (the people) have been long accustomed to have interposed between them and the magistrate who exercises the sovereign power.

I think, Mr. President, that the power proposed in regard to this commission vindicates the position that the people of Rhode Island took at that time, and that this body, if it is created at all, should only be allowed to exercise its powers after some reasonable ground had been established for such action. The world has been fighting since the day of King John and the Magna Charta to protect the people against unreasonable control by the powers of governments, and it is a step backward to subject innocent people to the methods that it is proposed to have this commission exercise.

The new laws that it is proposed to pass as part of this trade legislation, or any new laws that may be required on that subject or any other, can be perfectly well administered and enforced in the way in which the laws of this Government have been enforced since its creation, and we have been able under the long-established procedure to maintain a very good Government to live under, as good a Government certainly as there is anywhere in the world, and no necessity that I know of has yet arisen to abandon these time-tried methods for this experimental commission government.

I have been waiting during this discussion for somebody who favors this bill to demonstrate why this trade commission is necessary. I should have been glad to have heard the arguments upon which that necessity was based. Certainly, a commission in and of itself is not a desirable thing. The only excuse for its creation should be that we can not get along without it; that some important objects can not be accomplished by other and more simple means, and I think the same thing may be said of most of the so-called trade legislation that is now under consideration. The necessity for it is not apparent. It is true that there was a situation in the recent past when some branches of the business of the country were being combined into such large units as to cause alarm. But I think it is equally true that that condition does not exist at the present moment. The various laws now on the statute books have demonstrated their efficiency to control this situation. New combinations are not being formed; if they are, the accounts of them are being kept out of the press. Instead of a rush to form new combinations, almost the opposite is true. Not only new combinations are not being formed, but the business initiative of this country is so paralyzed by the actions that have dissolved some of the large units that people are afraid of new enterprises and they are not being undertaken to the extent that they ought to be for the continued commercial progress of the country even where they might be without violating any of the principles of the antitrust laws. That certainly is the situation as I see it, and as many others see it, and I do not know of any better testimony I could produce to the correctness of this view than what was said about the matter in an address delivered by Mr. George W. Wickersham, formerly Attorney General of the United States, before the Academy of Political and Social Science in Philadelphia on the 16th of last February. When arguing on these grounds and affirming the undesirability of additional trade legislation, he said of the existing law:

> By the application of its provisions every one of the great combinations which are popularly known as trusts has been dissolved at the suit of the Government, or is now a defendant resisting the suit of the Government to compel its dissolution.
>
> I challenge anyone to point to-day to a single organization outside of the defendants in pending Government suits that may properly be called a private monopoly. Moreover, the tendency to concentrate control over industry has been absolutely arrested. Not one monopolistic trust has been formed in the United States since the decisions of the Supreme Court in the Standard Oil and Tobacco cases.

And further on he said:

> The Sherman law needs no amendment to strengthen its provisions, and a watchful enforcement of that law by the law officers of the Government will be amply sufficient to prevent any recurrence of the conditions which grew up prior to the decisions in the Standard Oil and Tobacco cases.

The Senator from Nevada [Mr. NEWLANDS], in his remarks when introducing this bill, said:

> The establishment of a trade commission at the same time that the Interstate Commerce Commission was established would have prevented the extraordinary development of monopolistic organization in industry. If this commission had been in existence during this period, we would not now have to deal with such organizations as the United States Steel Corporation, the International Harvester Co., etc.

But Mr. Wickersham, who has had more experience in applying existing antitrust laws than any other man in the country and an extraordinarily successful experience, and who

knows the problems connected with the situation probably better than any other man does, says we have all the law needed to control the very situation that the Senator from Nevada relies upon to justify the creation of this commission.

To be sure, it is intended in the legislation now proposed to penalize some things in connection with business that have not been penalized heretofore, and if we are going to create some new crime, there may be a use found for this commission, but inasmuch as the new crimes are mostly for the purpose of helping to enforce the law against actions that are already made crimes by the antitrust laws, and as the present antitrust laws are sufficient to regulate these crimes, I see no necessity for either the new crimes or the new commission. Anyway, the orderly procedure would seem to be to enact the laws establishing the crime before we appoint the trade commission, for there is no certainty that even if the trade commission is appointed all the other propositions will be enacted into law. The simple fact is that such a commission and such legislation as is now being proposed, instead of doing anything to clarify the situation, would complicate it just as the business men of the country were on the point of finding some clear ground to go ahead on, and it will complicate it because this legislation ignores the real problem that is at the foundation of the present business uncertainty, for it deals with but one side of it.

There undoubtedly is a problem that ought to be solved in connection with the present trade situation, but the solution of that problem does not require the enactment of additional law to make combinations more difficult, but rather to find such legislation as will define the neutral ground between unrestricted competition on the one side and an unregulated combination on the other. All the laws we have put on the statute books thus far in connection with this subject have been for the purpose of restraining and restricting the field of combination and of keeping alive and active and unrestricted the field of competition.

This Government is a federation of States which was formed on the basis of the doctrine that in union there is strength, and that doctrine has vindicated itself in the powerful Nation we have grown into. In the same way modern business, as distinguished from the methods of the past, is based on the doctrine that in union there is economy and efficiency. The great material progress of this country in recent years has been largely due to that principle and to the adoption of better methods to bring about united efforts and teamwork on the part of individuals. The great material achievements that have marked the last quarter of a century and which were impossible before that date, but have been possible since, have been due undeniably, I think, to the more successful cooperation of individual resources. No better illustration, perhaps, could be found of this than in the magnificent success with which we have undertaken and carried to completion the construction of the Panama Canal. One reason that we succeeded as admirably as we have done in performing that task, although it had been found impossible of accomplishment by the greatest engineer of his day, backed by the resources of one of the great financial people of the world, was due to the fact that modern cooperation had made possible the construction of the powerful machines necessary for its execution and had taught the engineers of to-day the principles and methods of organization that made the efficient handling of large bodies of men a comparatively simple problem. Goethals succeeded where De Lesseps failed, not because competition had been kept alive and active, for competition was alive and active when the first attempt was made by the people of France, but because cooperation had been developed to-day to a point that was unknown 40 years ago.

A method and principle that have made such things as the Panama Canal possible, that has changed failure into success and helped to realize many of the material aspirations of humanity, can not be ignored in the legislative action it is necessary to take to harmonize the present trade conditions of the world. We may think that business has grown too big, we may criticize and try to limit it, but the lesson of efficiency and of economy that the world has learned can not be successfully ignored in dealing with the problem of American trade conditions. Cooperation in trade is a living, vital force that can not be neglected, and the problem therefore that has to be intelligently met in the legislation on that subject if the situation is to be put upon a permanent basis is in some way to clearly formulate into law the intermediate ground between an unlimited and unregulated and destructive competition on the one side and an unregulated and unlimited cooperation or combination on the other. There is, perhaps, danger in an excess of either of these two forces. Both of them are valuable in moderation and within limits, but the activities of modern trade are so complicated and intricate and the growth of this modern cooperation has been so rapid that we do not understand and can not yet formulate the reasonable and proper relations between the two. To simply ignore the great beneficial results that come from modern cooperation, however, will not advance us a single step in meeting the difficulties of the present situation. Nevertheless, that is what is being attempted in the present legislation. We are trying to still further put impediments in the way of the proper development of modern business principles, instead of trying to discover what is beneficial in the situation and what can be reasonably encouraged and approved. The fact is that the business men of to-day to successfully meet modern conditions must to some extent get together and confer, for they must know in some way what their competitors are doing and going to do before they can decide what they ought to do themselves.

The President, in his message on this subject of trade legislation, has spoken as though the defining of this situation was an easy and simple matter. He says:

> Legislation is a business of interpretation, not of origination; and it is now plain what the opinion is to which we must give effect in this matter. It is not recent or hasty opinion. It springs out of the experience of a whole generation. It has clarified itself by long contest.

And again, in another part of the message:

> What we are purposing to do, therefore, is happily, not to hamper or interfere with business as enlightened business men prefer to do it, or in any sense to put it under the ban. The antagonism between business and government is over. We are now about to give expression to the best business judgment of America, to what we know to be the business conscience and honor of the land

All this sounds delightfully easy and reassuring. It is as though Congress simply had to gather together and unanimously record a universally accepted verdict upon this subject. If that was the situation and it was now possible to clearly formulate into a statute some principle that would bring about the delightful result the President pictures, I certainly should join most heartily in the effort to do it. When I read this language in the light of three years' very careful study and consideration of the situation, I was certainly surprised that there existed anywhere this easy solution, for it certainly has not been reflected in any testimony I have ever come in contact with. On the contrary, all the evidence that has been gathered together so far goes to show the complicated nature of this question. Nevertheless, while this is generally true, there has been on the part of a large number of people who have studied this subject a harmony of opinion in one respect, and that is if a trade commission were to be established it ought to have some authority to pass in some way and to some degree upon the extent to which cooperation on the part of business men generally might be permitted, not for the purpose of enabling anybody to do anything that was contrary to law, or that was contrary to wise public policy, but as a means of determining, if only tentatively, what things could be done without violating any statute. This is the only way that I have heard suggested in which a trade commission can be of any help to the business men of the country, and is the only form of feasible constructive legislation on this subject that I know of. All that is being proposed so far is destructive in its character. It proposes to put a stop to what now exists, and the great trouble that will result from it is that it does not definitely define to what extent the old methods are to be forbidden and to what extent they may be continued to be used. Such legislation does not clarify, it complicates.

The whole tenor of the President's message was that the party he represented wished to do something and intended to do something to help the situation. It is universally agreed that the great majority of business men of this country are honest and law abiding, and they want to do the things the law contemplates they should do and leave undone the things it forbids. But the difficulty is for them to know just what is permitted and what is forbidden when, on account of the intricate and complicated nature of the problems that are dealt with, laws are necessarily enacted only in the most general terms. Occasionally it has been assumed that there is no difficulty about this matter, and that it ought to be possible for anybody to know just what procedure is permitted. The President, in the address which he made at Philadelphia on the Fourth of July, implied something of this sort. He said:

> The world is becoming more complicated every day, my fellow citizens. No man ought to be foolish enough to think that he understands it all. And, therefore, I am glad that there are some simple things in the world. One of the simple things is principle. Honesty is a perfectly simple thing. It is hard for me to believe that in most circumstances when a man has a choice of ways he does not know which is the right way and which is the wrong way.

Difficult as it may be for the President to understand this situation, it is one that constantly arises in the actual operations of business, and if all the trade legislation that is now under consideration by this body be enacted into law, I think

the difficulty is going to be greater than ever. We have for some time had laws that forbade undue restraint of trade. We now propose to forbid unfair competition, and in the Clayton bill, to the consideration of which we have not yet come, but which is here on the calendar, we forbid changing the price of a commodity for the purpose of wrongfully injuring a competitor. Now, it seems to me that when an ordinary salesman, with the amount of learning in the law that generally goes with a $1,500 salary, appears in the store of a country merchant with his line of 100 or 150 different fabrics for which he is soliciting orders, and upon which he has already taken orders in other localities and perhaps in the same locality, and is met with the proposition that he can have an order for a dozen or 15 of his articles provided he will make some concession in the price on two or three or four of them, and he is told that the reason for asking that concession is that one of his competitors the day before, perhaps, offered something just as good at such a price, and that the customer will have to pass the entire line unless the concession is made on these two or three articles, that salesman is not going to find the situation clarified by anything that is contained in these bills.

When he has asked for an hour perhaps to think the proposition over and has gone over to the hotel lobby to consider whether, in accepting a proposition which under hitherto prevailing conditions he perhaps would not have hesitated about, and there tries to decide whether in so doing he is going to restrain trade or unfairly compete, or wrongfully injure, he will be in a situation where, as the President says, he has a choice of ways. But with the greatest desire in the world to be honest and law-abiding, it would be no perfectly simple thing for him to decide what choice to take. His position is still further complicated by the fact that even if he takes the order and some representative of our new trade commission discovers that these articles have been sold at different prices, and finds in that fact such a cause of suspicion that legal proceedings follow, the salesman and his employer will find themselves at the end of perhaps a year or two of litigation, even though it result in their favor, in almost as bad a position as though it were decided against them, for the burden in the way of expense and interruption of business and suspicion engendered by these proceedings is almost as great as the legal penalty itself.

I said a few minutes ago that there was a considerable harmony of opinion on the question of adopting some way by which the business men of the country could know to what extent they could be permitted to cooperate. I want to lay before the Senate some expressions of opinion upon that subject.

As is generally known the Interstate Commerce Commission have taken very extended testimony upon the subject of the control of corporations. They made a very elaborate report on that some three years ago, the testimony of which covers, I believe, some 3,000 pages. In those hearings there was constant reiteration by men representing various different fields of activity of the necessity of in some way having the business men of the country arrive at what trade agreements they could be allowed legally without detriment to the public interest to enter into. I wish to refer just briefly to some of the opinions that were there expressed and to show by whom they were expressed. There was a very carefully prepared digest made of that testimony, and in quoting from it I am going to quote from the digest for the sake of brevity and not from the original testimony.

We have the testimony of Mr. Seth Low, who is president of the National Civil Federation. He says he does not believe it possible under modern trade conditions to continue business without trade agreements. He is in favor of a trade commission for the purpose or regulating these agreements, and he goes on to say:

Such agreements affecting prices and output should be filed with the Interstate Trade Commission (suggested above), and be lawful as soon as filed, and continue so until declared by the commission to be contrary to the policy of the Sherman law; would also provide that all agreements affecting prices and output not filed with the commission shall be unlawful. Agreements should be permitted, if filed with the commission, which will prevent unfair and unreasonable competition—competition not intended to advance business, but to destroy competitors.

We have the testimony of Mr. Taylor Vinson, a lawyer and coal operator of Huntington, W. Va., on this same subject of trade agreements. He says:

The commission should have power to pass upon and approve reasonable trade agreements between competitors, which would restrain and limit competition within certain bounds (77), i. e., agreements providing for a joint selling or purchasing agency, or to supply each other with any of the means or methods of carrying on their business, or for the purchase or sale of their plants, or parts thereof, or property used in conducting their business, whenever in the judgment of such commission such trade agreements will not unreasonably restrict or limit competition, nor raise prices beyond what may be justified by the supply and demand, nor authorize competitors making such agreements to engage in unfair methods of competition against other competitors not parties thereto (73–74).

Believes such agreements necessary to permit economical management, and that under the present law the small man will be forced into bankruptcy (30–32).

Mr. Samuel Untermyer also testified in regard to trade agreements that—

The country is now honeycombed with secret verbal agreements and understandings which are not being reached by the Sherman law and can not be (182, 183, 214). People can not be kept from protecting themselves when the point of ruin is reached. The country must choose between proper regulation and secret defiance of law (182, 183). Trade agreements should be permitted for limited periods when an industry has become unprofitable (189–190) if the prices fixed by the agreements do not allow an unreasonable profit and do not unduly restrict production.

In regard to competition Mr. Untermyer said:

If combinations of capital are to be broken up, unrestrained competition can not be restored. Unrestrained competition in these days is a figment of the imagination. There must be some point at which cooperation can be permitted, but under Federal supervision.

Another witness, Mr. A. F. Thomas, of Lynchburg, Va., says:

Parties engaged in interstate commerce should be permitted to enter into agreements as to the purchase and sale of commodities and as to the prices and terms of such purchases and sales, provided that the full terms of such agreements should first be filed with and receive the approval of such bureau; and further, that the bureau should make public all such agreements. These agreements are subject to review and withdrawal upon 30 days' notice at the option of either the bureau of the parties (989).

Trade agreements are necessary to the successful application of the cooperative principle.

Mr. Henry B. Joy, who was the president of the Packard Motor Car Co., and I think is to-day, says:

TRADE AGREEMENTS.

Agreements by manufacturers engaged in the same line of business, fixing prices of products, should be permitted under the approval and supervision of the Government (1306–1307). This would preserve the weaker manufacturers who would otherwise have to go out of business, and prevent the economic loss attendant on such business failures (1308).

Mr. Emerson McMillan, of 40 Wall Street, New York, says:

Favor the continuance of any trade agreements that were filed with the commission until annulled by the commission or restrained by the court.

Mr. Edgar H. Farrar, who was formerly president of the American Bar Association (pp. 1485–1536, 2535–2538):

Does not believe that it comports with the sound public policy or the economic policy of any country that competition should be carried to the point of destruction, and therefore an agreement between persons in the same line of business to the effect that prices should not be cut below the actual cost of production ought to be considered a valid agreement (1487).

* * * * * * *

He would allow agreements providing for common selling agencies.

Mr. S. P. Bush, president Buckeye Steel Castings Co., Columbus, Ohio, says:

Would recommend the legalizing of trade agreements, to the end that those engaged in any industry may cooperate to avoid destructive competition, which includes unfair competition as well as competition that does not have an unlawful purpose.

Mr. Walter S. Bogle, coal operator, 808 Fisher Building, Chicago, Ill., representing the coal industry of Indiana:

Believes that the Sherman law is gradually bringing about the very condition of affairs that it was enacted to prevent. Because of their inability to have a common selling agency with a committee that would from time to time fix the price of their output, small operators have been compelled to cease operations, and in one case, at least, the mines were bought up by a single corporation, which, of course, resulted in the very thing which the individual operators could not do. The object of the law seems to be to compel unbridled competition, which in the coal business, in times of depression, overcapacity, or overproduction, spells disastrous competition (2321, 2322).

He believes that the coal operators, either in certain districts, or in certain States, should be permitted so to arrange their production as not to flood the market and so to arrange their selling that coal would bring at least cost and a fair return on the investment.

Mr. President, there are several other of these statements taken from the testimony before the committee at that time. I shall not read them, but ask to have them printed as a part of my remarks.

The PRESIDING OFFICER (Mr. THORNTON in the chair). Without objection, permission to do so is granted.

The matter referred to is as follows:

Gary, Elbert H., chairman board of directors United States Steel Corporation (pp. 693–732, 811–850, 2407–2421):

TRADE AGREEMENTS.

There are cases where a corporation ought to have the right to make agreements with other corporations to maintain a certain price, a commission having the right to determine whether the agreement would or would not be an undue restraint of trade. (727–729.)

Brooks, T. J., Farmers' Educational Cooperative Union, Atwood, Tenn. (pp. 2336–2353):

SHERMAN LAW.

If the Sherman law could by technical construction be held to apply to such organizations as the Farmers' Educational Cooperative Union, such provisions should be eliminated; and if amendments of the law are passed, they should exempt farmers' unions from its operation (2337).

OBJECTS OF THE FARMERS' UNION.

The purpose of the Farmers' Union is to facilitate the marketing of crops according to the normal operation of the law of supply and demand; that is, the farmers themselves, by cooperation, desire to assume the carrying function and gradually market their crops, especially cotton and wheat, as the demand requires throughout the year.

Traer, G. W., representing the Illinois Coal Operators' Association, of Chicago, Ill. (pp. 2353–2372, 2556–2557):

ADVANTAGES OF COOPERATION OF OPERATORS.

Numerous advantages would result from cooperation among operators with a view to reducing the cost of producing and distributing the coal and maintaining the properties. Such methods would be beneficial to the general public in that better conservation of the coal would result. It is practically impossible, however, to effect any improvement in production and distribution without lessening to some extent destructive competition, although the cooperation necessary to effect these advantages need not, and should not, be permitted to go to the extent of fixing or arbitrarily controlling prices or limiting output.

It should be recognized that just as unreasonable combination leads to no competition, so no combination leads to unreasonable competition, which without regulation destroys itself and leads to consolidated ownership in very large units, with tremendous and ominous financial power rather than increased efficiency (2358). Large corporations are accused of unfair conduct because they sell below cost for the purpose of ruining competitors. Unless they submit to slower ruin themselves the law leaves them no other avenue of correction (2361).

Callbreath, J. F., secretary American Mining Congress, Denver, Colo. (pp. 2372–2380, 2431–2448):

CONDITIONS IN THE BITUMINOUS COAL-MINING INDUSTRY.

These facts show the dangerous conditions in the industry. They result in an enormous loss of life, and almost criminal waste of resources, and a business condition bordering on despair among the smaller producers (2372). The continuance of such conditions can not result in any good to the country (2373).

COMMISSION.

The commission should be authorized to approve in advance agreements by which economies may be effected (2434); to say in advance what is a reasonable combination (2435).

The authority of the commission would be to practically license the conduct of business under any agreement, and when, as the result of an investigation begun on its own initiative or upon complaint, it determines that any practice is contrary to the public welfare, to revoke the license or withdraw the authority, and leave the parties liable under the Sherman law.

Taylor, S., president of the American Mining Congress and representing the Pittsburgh Coal Operators' Association (pp. 2380–2407):

CONDITIONS IN THE BITUMINOUS-COAL INDUSTRY.

The average number of days worked per man per year in the mining of coal in 1910 was 217. This is a hardship on the miners. At the present price of coal the operators are compelled to leave at least 25 per cent of the coal in the mines, as to bring it out would cost more than can be obtained for it.

ECONOMIES TO BE EFFECTED BY COMBINATION.

(1) Reduction in the cost of marketing by handling the coal of a district through a central sales agency (2383). Such an agency should have, probably, power to distribute the sales proportionately among the mines represented (2387). The ordinary commissions paid to handlers of coal now run from 7 to 10 cents per ton. The very large companies handle their output for about 4 cents. A substantial saving could probably, therefore, be effected through a central agency (2383, 2384).

(2) Reduction in the cost of power by the joining of a number of operators in the maintenance of a common power plant.

(3) Reduction, through a central agency or some single person representing a number of operators, of transportation costs. A trainload of coal going from the Pittsburgh district to Chicago now may be made up from half a dozen different mines, and the added trouble in assembling the cars makes the total transportation cost more than if the whole trainload went from a single mine. If some agency had the orders, and it were seen that those from Chicago would total a trainload, it would be taken from one or two mines, resulting in a substantial saving in the cost of transportation (2383, 2384).

(4) Better prices, for instance, for slack, having a common storage plant and storing it until the winter, when a fair price may be obtained for it (2383, 2384).

(5) A substantial saving through a common agency for the purchase of materials, etc., used in the mine (2381).

COMMISSION.

Realizes that various consequences to the public might result if operators were permitted to combine, without restriction, to secure better prices and conditions in the industry. Suggests therefore that a commission be created, with power to review any proposed combination and refuse to permit it if in the judgment of the commission it was against the public interest. The jurisdiction of the commission should be plain, and the power to act on combinations without subjecting the persons forming such combinations to the Sherman law as it now stands (2382). Believes that under such a commission the privilege of combining could be conferred without its being abused (2386).

Mr. LIPPITT. Mr. President, this is testimony which was given three years ago. In connection with this bill itself and with this present legislation there has also been a very considerable amount of testimony before the Interstate Commerce Committee. I want to call attention to the fact that very competent witnesses are still testifying to the necessity of constructive action of this kind being taken on this subject.

Charles F. Mathewson, in reply to the views expressed by Dr. Van Hise (Pt. I, p. 65), said:

I would insert a clause at the end of the Sherman Act something like this, this being the substance: "This act is not intended, and shall not be construed, to prohibit any reasonable restraint of or any reasonable combination which may have the effect of eliminating or restraining competition, provided such elimination shall not be contrary to the public welfare."

Mr. S. P. Bush, president Ohio Manufacturers' Association, Columbus, Ohio, who I think testified three years ago, renewed his testimony at this time, saying:

But, nevertheless, the feeling is very profound that a certain amount of cooperative effort is absolutely necessary, and to eliminate all cooperation and make it unlawful for competitors even to attempt any cooperative effort would be a grave mistake. We fear that. If you ask us what we fear, that is one thing that we fear. We fear that we may, as things have been appearing, be discriminated against—the manufacturer and the business man. Not that we are anxious to stand in the way in the least of eradicating abuses, which we know of as well as you, probably better, but simply to protect in a national way industry, the product of labor, the product of capital.

To-day the situation is intensely uneconomic. It is wasteful. Competition is unnecessarily savage. The evil effects of it are coming to the surface every day.

There was recently held a meeting of the Chamber of Commerce of the United States of America, on February 12, in Washington, at which a discussion of this subject was had by several men of very high standing. I should like to quote from some of those speeches, but instead I shall ask that the quotations which I have drawn off be printed as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Speech of Victor Morawetz, delivered at second annual meeting of the Chamber of Commerce of the United States, Washington, February 12, 1914 (p. 34):

However, it is not true that every contract or combination which in any degree lessens competition, or limits production, or increases prices restrains or tends to restrain trade or monopolize it. On the contrary, some contracts and combinations of that character are necessary to secure economy and efficiency in production and in trade and to preserve strong and healthy competition at home and in foreign markets. If such contracts or combinations involve no elements of oppression of others, and if they do not put an end to healthy competition in any branch or trade or commerce, they should not be prohibited.

Frederick P. Fish, Chamber of Commerce speech (p. 50):

I can not help believing that when we have had a longer experience with our present industrial conditions and understand more clearly the necessities of the complex business situation of to-day, we shall modify the Sherman law at least to the extent of permitting the free natural growth of industrial enterprises and such agreements as to price maintenance and conditions of manufacture and sale as are reasonably necessary to secure a fair profit to producers, not of course in the interest of any class or grade of business or of business men but in that of the country and its citizens as a whole.

Henry R. Towne, Chamber of Commerce speech (p. 59):

INVESTIGATIONS.

If well framed, a law similar to the Canadian "combines investigation" act would be of immense benefit especially to the vast number of minor industries, the aggregate of which, both in volume of business and in number of persons engaged, far exceeds the aggregate of the so-called "trusts" or great corporations. Its aim should be not merely to permit, but to encourage, cooperation between small competitors.

Prof. Henry R. Seager, Chamber of Commerce speech (pp. 70–74):

It seems to me that there should be included in this bill a provision such as that recommended in the report of the Committee on Interstate Commerce from which I quote:

"There ought to be a way in which men in such a venture could submit their plan to the Government and inquiry made as to the legality of such a transaction; and if the Government was of the opinion that competitive conditions would not be substantially impaired, there should be an approval, and in so far as the lawfulness of the exact thing proposed is concerned there should be a decision, and if favorable to the proposal there should be an end to that particular controversy for all time."

* * * * * * *

If business men may not "make any agreement, enter into any arrangement, or arrive at any understanding by which they, directly or indirectly, undertake to prevent a free and unrestricted competition among themselves or among any purchasers or consumers in the sale, production, or transportation of any product, article, or commodity" without rendering themselves liable to conviction for crime and to the severe penalties provided by the antitrust act, current methods of carrying on business in the United States will, indeed, have to undergo a modification.

* * * * * * *

But let us not make a fetish of competition! It also has its bad as well as its good side. While recognizing its value and making strenuous efforts to insure it a fair field for its operation, let us not ignore the fact that cooperation also has its legitimate place. On a higher moral plane than competition, its extension, under conditions that compel adequate regard to the public interest, must prove advantageous not only to business men, but to the whole community.

George W. Wickersham's address before the American Academy of Political and Social Science, Philadelphia, February 26, 1914 (pp. 10, 25, 26):

To legislate without discrimination against every agreement which directly or indirectly may restrict competition is to put an embargo upon all healthy normal business development.

* * * * * * * *

The problem of the relation of the Federal Government to cooperative industrial business can never be satisfactorily solved until Congress courageously legislates in the affirmative, declares what can be done, and throws the protection of the National Government about those who conform to its laws in acting under it.

* * * * * * * *

Negative action is cowardly and must in the future prove to be as unsatisfactory as it always has done in the past.

Mr. LIPPITT. Mr. President, one of the most intelligent of the witnesses who have discussed the question of trade agreements before the Interstate Commerce Committee is Dr. Charles Van Hise, of the University of Wisconsin. I should like to read what he has to say in regard to this matter.

The existing situation—

He says—

is not so much created by the existence of monopoly as by cooperation between organizations which are not monopolies themselves. I wish to assert that cooperation exists to an extent which is far beyond what is usually appreciated, and perhaps beyond what you yourselves are familiar with unless you have gone into the matter. I am quite sure that cooperation in various ways in regard to market and output and prices exists in substantially every business of the country, from the country crossroads to the great centers.

* * * * * * * *

It seems to me if we are really, therefore, going to the root of this situation we can only do it by recognizing the existence of cooperation in this country and regulating that cooperation.

* * * * * * * *

If there were time—but I know there is not—I believe I could cite instance after instance in which each and every member of this committee would agree that the proposed cooperation is entirely proper.

Dr. Van Hise occupies a very distinguished position. He has given this subject very careful thought and consideration for many years, and represents not the business view of this matter but the view of the economist and the student.

In order to show how strongly the demand exists for some legislation that will cover this question of trade agreements, I want to call attention to the results of the referendum which was undertaken on the part of a committee of the Chamber of Commerce of the United States of America, as illustrating the opinion of the merchants throughout this country on this subject. In the early part of June a committee representing that body asked for the views of the organizations which were included in it upon several questions and they made their recommendations on each question that was submitted to the chamber, in some cases in favor of it and in some cases opposing it. The subject of No. 3 was that:

The committee recommended that the commission—

Referring to the trade commission—

should not now be given authority to advise applicants concerning the legality of proposed contracts, combinations, etc.

In other words, that the commission should not then be given any authority in the way of deciding upon the validity of trade agreements. The committee, as I say, recommended against the adoption of this resolution. Dr. Van Hise, however, who was a member of the committee, was very much in favor of it, and a short argument in favor of it was sent out with a proposal for votes. Every recommendation which the committee made to the chamber of commerce was approved in accordance with the opinion of the committee except this one proviso; and although the committee of the body themselves had advised against this approval of trade agreements by this commission, the votes of business organizations showed a vote of 307 in favor of such authority being given to a commission and a vote of 304 against it.

It is a slight majority, it is true, but inasmuch as that majority is made up in many cases by the votes of business men who have perhaps not given the subject the very fullest consideration, and is in opposition to the advice of their own committee, to my mind it is a very emphatic illustration of what the real opinion of the business men of this country on that proposition is.

Mr. President, I have tried to lay before the Senate a number of reasons why I believe that something ought to be done in the way of constructive legislation, why something ought to be done in the way of pointing out the path along which the business of the country might go ahead, as well as to have the barriers prescribed beyond which it must not pass.

I should like to say in connection with this matter that the United States is the only country in the world, so far as I know, that does not in some form or other authorize and approve and help cooperation among its people. In Germany they have the well-known cartel, and in 1892, under the system which they have, there were 450 authorized agreements. In Italy, while the system is not the same, they have an arrangement by which people can submit to the Government agreements which they want to make, and the agreements are authorized or not authorized, as the Government sees fit. In England business men are allowed to do things in the way of cooperation for the sake of economy and the proper conduct of business that we do not at present allow in this country.

Even at the present time the cotton spinners in Manchester have made an agreement by which they have put in force a curtailment of the production of all the mills, the agreement to be operative from the time at which it was put in force, a week or two ago, until the end of September, which means a partial reduction of their production for 10½ weeks, amounting to about 30 per cent of their running time.

I do not know that I have anything more to add to what I have already said on this question at the present time, but I have an amendment covering some of my views which I may bring up a little later in the day.

Mr. LIPPITT subsequently said:

In the course of the remarks I made a while ago, I meant to ask to have printed in connection with them an amendment which I intend to propose to meet some of the conditions in regard to trade agreements. I now ask that I may have permission to print the amendment.

There being no objection, the amendment referred to was ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. LIPPITT to the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes, viz: Insert the following:

SEC. 5a. That if one or more parties to any agreement made or proposed to be entered into between two or more parties, one or more of whom is or are engaged in interstate commerce, or which agreement affects or is intended to affect interstate commerce, shall submit such agreement to the commission by filing with it a copy thereof, together with a duly verified statement, in writing, in such form as the commission shall prescribe, giving the names, occupations, and addresses of all parties to such agreement, stating whether the same has or has not been executed, the reasons therefor, and the effect, if any, which such agreement is intended to have upon interstate commerce, and such further information as the commission, by its rules, shall require, the commission shall forthwith consider such agreement, and the effect of the same, and may require any further information, documentary or otherwise, with regard thereto which in its judgment shall seem necessary or proper; and if all requests of the commission for information shall be promptly and fully complied with, it shall, with all convenient speed, make and file a certificate, stating whether or not, in its opinion, such agreement does or would operate in undue restraint of interstate commerce, or tend to the monopolization of any part of such commerce.

No party to any such agreement who shall have submitted or joined in the submission thereof to the commission, during the time the same is under consideration by the commission, shall be prosecuted criminally because of such agreement or any act done pursuant thereto, under the provisions of any of the antitrust laws. If the commission shall be of the opinion, and shall so certify in writing, that any existing agreement or combination is being operated in the interest of the public, and is of advantage to the convenience and commerce of the people, and that such operations will not substantially exclude, prevent, or reduce competition in the business affected thereby, then, so long as such certificate remains unrevoked or such agreement shall not have been declared unlawful or against the public interest by some court of competent jurisdiction, no party thereto shall be prosecuted criminally in any court of the United States because of such agreement or any act done pursuant thereto under the provisions of any of the antitrust laws.

Upon reasonable notice to the parties to such agreement, given in such manner as the commission by its rules may prescribe, and after such parties shall have been given an opportunity to be heard with respect thereto, the commission may revoke any certificate made as aforesaid: *Provided, however*, That nothing in this section contained shall operate to prevent or otherwise affect the prosecution of any civil suit or action against the parties to any such agreement by the United States or by any other party.

TRANSPORTATION OF AMERICAN PRODUCTS TO FOREIGN COUNTRIES.

Mr. WILLIAMS. Mr. President, while the United States Senate is talking, and talking in extenso, and while very many Senators are participating in the debate at unusual length, the whole world outside of the United States seems to have gone insane. The insanity, the idiocy, and the stupidity of war prejudice has seized the entire world, and, in the providence of God, it is thoroughly impossible for any part of the world to be engaged in devastating warfare without damaging the utmost other parts of the world.

We are faced to-day with a condition growing out of the European warfare that has led me to introduce a bill and will lead me in a few moments to ask unanimous consent that the bill be permitted to go to the proper committee for consideration.

America finds herself to-day in this situation: Our cotton crop, which was once pronounced by a premier of England to be the greatest "gold asset" in the world exeept gold itself, can not find transportation for exportation. That does not make so much difference, because the new crop of cotton as yet has not been picked and baled and is not ready for export, but the situation has produced almost a panic in southern

centers. In New Orleans and in Memphis and in Galveston people are losing their heads. Cotton has gone off $10 a bale, and what that means to the American people, with 15,000,000 bales of a gold-returning cotton product, all of you can figure. Out of that 15,000,000 bales only 40 per cent is manufactured in the United States. Two-thirds of that entire product is manufactured in Great Britain and in Germany—in Great Britain more largely than in Germany.

So far as our trade with Great Britain is concerned, after a few weeks, or a few days possibly, that will be open and free. The German fleet will probably be bottled up in the Baltic, and not only the ships of neutral powers but the ships of the English nation will be free to sail the seas.

Meanwhile another thing of much more importance, not related to my section, is threatening the American people. Breadstuffs and meat stuffs, which are quasi contraband, are not exportable at this moment. Not long ago I read a report in the newspapers that the railroads were refusing to take shipments of wheat to Galveston, Tex., upon the ground that the elevators there were full of wheat, that there was no place to store it, and the railroads could not afford to take the wheat and keep it in their freight cars, because very soon it would use up their rolling stock; and besides, that was a pretty expensive way of storing and keeping wheat, as the railroads would have to provide the cars. Nobody can blame the railroads for that.

Here is all Europe, with foodstuffs rising in Paris, London, St. Petersburg, and Vienna to starvation prices, and here is America flushed with the biggest crop that she has ever made in her history, and the difficulty, so far as corn and oats and meat stuffs are concerned, is simply a question of transportation.

The Hague conference divided all products in times of war into three classes. One was "absolute contraband," in neutral bottoms or in any other bottoms, such as munitions of war and articles of that sort; another class was composed of food products, which were capable of being made contraband of war or not, according to the decision of the belligerent powers; another class of products was expressly declared to be noncontraband, and among these was raw cotton. The United States protested at The Hague against the idea of making foodstuffs even quasi contraband, but the decision went against us. They can be contraband in certain eventualities.

Now, what I want to do is this: It is not very important to the South just at this moment, because our new crop is not yet ready to move except in the interior, and not many bales of the new crop of cotton have been picked and ginned and put upon the market even in the interior. Outside of southeast Texas and southwest Louisiana and a little of the southern part of Mississippi and Alabama and Georgia and some parts of Florida, there are no new bales of cotton on the market.

The present fall of $10 a bale in cotton has been produced for purely speculative purposes, grounded upon anticipation of a decrease of demand from the European mills. Part of the decrease, in my opinion—and I am making this talk principally to spread a feeling of optimism throughout the South and to decrease the spirit of pessimism, so far as I possibly can—a part of that demand will, in my opinion, continue. The greatest customer for our raw cotton is Great Britain and, in my opinion, unless the British Navy is totally deficient and inefficient and unequal to its tonnage and its cannonage and everything else, it will not be long before the world will know that the German Navy, representing the only great world power that is intent upon war, determined upon it, and has been determined upon it for months, will be bottled up in the Baltic; and if it is bottled up in the Baltic or destroyed at sea, then not only will neutral ships sail the seas, but English ships will also keep their regular schedule time from New York to Liverpool and Southampton and other ports. Of course American ships can not be interfered with at all; but for the immediate future, in order to take care of foodstuffs, breadstuffs, meat stuffs, and those things we have got to have transportation.

So I have drawn up a bill, which I will take the liberty of reading to the Senate, and for which I am going to ask unanimous consent simply that it shall be introduced and referred to the committee, as unanimous consent is necessary under the present order.

Be it enacted, etc., That the Secretary of the Treasury, with the approval of the President, is hereby authorized and empowered to purchase outright for cash, out of any funds in the Treasury not otherwise appropriated, any ships belonging to citizens or subjects of belligerent powers now lying in American ports, or hereafter brought thereinto, paying for them not more than their true value, ascertained upon a system of appraisal to be instituted and published by him; that in the purchase of them due regard be had to our Atlantic, Pacific, and Mexican Gulf needs—

So that the shipping may be distributed between the wheat and the tobacco, and the cotton, and the sugar ports—

that officers and crews of the Navy be detailed to man them, or officers and crews of our merchant marine be employed to man them, or officers and crews fit for the service being two-thirds American citizens be otherwise secured.

SEC. 2. That these ships be at the earliest available moment admitted by authority of this act to American registry.

SEC. 3. That the ships so manned and registered be loaded with breadstuffs, meats, and cotton, and other articles not contraband of war, ready now or hereafter ready for export, and shall convey the same to whomsoever at whatever port of the world may have purchased the same, subject only to blockades that are or may be declared.

Of course, if any of these powers declare blockades, all sorts of merchandise, whether contraband of war or not—even diamonds or silk—may be subject to seizure if caught in ships running the blockade.

SEC. 4. That the United States view as an unfriendly act any attempt on the part of any Government, dominion, or power in the world to interfere with, hinder, or delay their commerce on the high seas, in anything save absolute contraband of war—

Now, remember, foodstuffs were not pronounced by The Hague conference to be "absolute" contraband of war. They were pronounced to be quasi and conditional contraband of war, depending upon the belligerent conditions.

Mr. CRAWFORD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from South Dakota?

Mr. WILLIAMS. I do.

Mr. CRAWFORD. Does the Senator think it necessary to put that last clause in this bill? Does not that look a little like putting a chip on our shoulder before we have any occasion to do so?

Mr. WILLIAMS. I am not afraid of that chip, if the Senator will pardon me.

Mr. CRAWFORD. I do not see the necessity for it.

Mr. WILLIAMS. If the Senator will pardon me one moment, I am not afraid of that chip. This is the first time in a long time, peace fanatic as I am and acknowledge myself to be, that I am not afraid of carrying the chip. Peace fanatic as I am, when a man spits tobacco juice in my eyes I am going to resent it.

Mr. CRAWFORD. But they have not done it.

Mr. WILLIAMS. My position is this: The American commerce in breadstuffs and meat stuffs must find its way to Europe in behalf of the interest of the American people. I am not in the slightest degree afraid even of Kaiser Wilhelm himself issuing any pronunciamento in opposition to whatever we do within our rights—and that is within our rights—because The Hague Conference left indefinite the question as to whether foodstuffs were or were not to be contraband of war. It left it to be determined by the powers at the time.

Mr. GALLINGER and Mr. O'GORMAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Mississippi yield, and to whom?

Mr. WILLIAMS. One moment, if the Senators will pardon me. All powers in Europe are at one another's throats.

Mr. CRAWFORD. They have not done that yet.

Mr. WILLIAMS. They are at one another's throats. I am sorry for it. Insanity, idiocy, stupidity are weak terms for men who will bring on international war. It is the people—the mechanics, the farmers, the husbands, the brothers, the sweethearts in those classes—that suffer. The German Junkerthum that has brought on this war will suffer least of all people in Europe, unless the German Empire is speedily whipped. Cooperating with Austria, forming a compact territory with contiguous boundaries, with interior lines of communication, with superior discipline, with superior mobilization, with superior scientific war methods, the chance of their being whipped is rather remote. Germany's antagonists must go all around everywhere in the world to cooperate for a strike, while the Austrian and Prussian armies—I say "Prussian," because Prussia is the dominating influence with the Junkerthum of all Germany—have the opportunity to strike upon interior lines. There is, however, just one thing that none of them want piled on their backs right now, and that is the United States of America.

Mr. GALLINGER. I was about to ask the Senator, because I have not looked into this matter very closely, whether or not the question of foodstuffs becoming contraband of war is dependent upon the action of the individual country; that is, could England declare foodstuffs contraband of war, or Germany, or any other country?

Mr. WILLIAMS. Yes.

Mr. GALLINGER. It does not depend upon any concert of action?

Mr. WILLIAMS. No; it depends upon the individual country, and the action of that individual country will depend upon our action.

Mr. GALLINGER. Largely so, no doubt.

Mr. WILLIAMS. But if we say at the beginning of this thing that food shall not be contraband of war, not one of them will dare make it so—not one of them—unless it were, probably, Great Britain, and her friendly relations toward the United States in very many respects are such that she would not want to.

Mr. NEWLANDS. I think, if the Senator will yield to me, that there need be no feeling about this matter at all. I am quite in sympathy with the purpose the Senator has in view, which is, as I understand, to secure unanimous consent to his offering a bill which is to be reported to the Senate.

Mr. WILLIAMS. Yes; but I want to read the bill first, and I wanted to make this little talk, because I want the press and I want the intelligence bureaus of the country to carry what I regard as the optimism of this speech to all the country, and to the South especially.

Now I will continue with the reading of the bill:

SEC. 4. That the United States view as an unfriendly act any attempt on the part of any Government, Dominion, or power in the world to interfere with, hinder, or delay their commerce on the high seas, in anything save absolute contraband of war, as declared by The Hague conference or in obedience to blockade regulations—

That is where I was interrupted, in the middle of a sentence.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Utah?

Mr. WILLIAMS. Wait one moment.

And especially any attempt to interfere with, delay, or hinder their commerce as carried on in the ships hereby provided for.

Now, I yield to the Senator from Utah.

Mr. SMOOT. I simply wanted to ask the Senator whether he did not believe that position and statement ought to come from the State Department, rather than in a bill passed by Congress?

Mr. WILLIAMS. That is possibly true.

Mr. SMOOT. I do not want to oppose the Senator's idea as contained in the bill, but I do believe that a statement of that kind ought to come from our State Department and not in a bill passed by Congress.

Mr. WILLIAMS. My idea was that the State Department ought to have the encouragement of the legislative department to take that position. All I want is to refer this bill to the committee, and if the committee changes it in any respect so that it meets the substantial object in view I shall not be ugly about it, and shall make no objection. My idea was that if the legislative branch of the Government of the United States, representing the people in a peculiar way, wanted to express its opinion, it would be bolstering up and backing up the executive department of the Government to take that position, and even if this clause were stricken out of the bill the general remarks upon it and its purpose would to a large extent have that effect.

SEC. 5. It shall be the duty of the Secretary of the Treasury—

Now, of course, I do not want to put this sort of thing into permanent operation. That would be absurd. I do not want the United States Government engaging in the transportation business. All of you who know me know that there is not a man in this body more opposed to that than I am. So I have added this section:

It shall be the duty of the Secretary of the Treasury, on or before or within four months after peace shall have been reestablished in Europe, to dispose of the ships purchased under this act at the best available price at public or private sale, and to cover the proceeds thereof into the general fund of the Treasury.

My opinion is that even during this war private capital will come forward ready to repurchase from the American Government these ships at the full price which has been paid for them, because of the immense profits accruing to the neutral carrying trade in a great European war.

In that connection I want to say this: I have heard gentlemen say that the war would be over in 60, 90, or 120 days. I do not believe it. I am one of the few men who are decently informed who do not believe it. I notice the Boer War took three years to finish. Will gentlemen tell me that with all the modern improvements in the instruments of warfare this war will be suddenly terminated and peace will immediately follow it? That depends upon the spirit of the people behind the war. Germany and Austria have interior lines of communication and contiguous boundaries, and are compact, and will undoubtedly gain the first advantages in this war; but if the French people are prepared to die instead of being prepared to surrender 80,000 men, as they did at Sedan in the last Franco-Prussian War, and if the Russian people are tied to the death by blood relationship to Servia, and determine that she shall not be crushed by Austria like an empty eggshell, this war may go on for seven years. Nobody knows. No man can tell. No man ought to be egotistical enough or foolish enough even to attempt to prophesy. Therefore I put in this last section.

Now, not intending to keep the Senate any longer than is absolutely necessary, I want to say just one or two more words, because I want them to go into the RECORD, and I want them to go to my constituents, who have a certain degree of confidence in me, in a way—in my sincerity, at any rate—wherever else there may be failings.

I believe that the entire American people, and the South especially, are overestimating the damage that is going to be done to the United States by this insane, idiotic, stupid performance in Europe. As far as the West is concerned, the moment this transportation difficulty is overcome her products are going to rise to war prices upon European markets wherever they can be landed, wherever they are not excluded by blockades; and if we take this position blockaded places will be the only places where they are excluded; that is, where blockades have been declared by belligerent powers. Now, as far as cotton is concerned, it is a part of the misfortune of the South that whenever a war occurs anywhere in the world cotton must go down. Going to the ultimate consumer, where he makes his first economy is in his clothing.

Mr. WEST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Georgia?

Mr. WILLIAMS. No; not now. Man must eat; man must live; and man must have foodstuffs day by day. He can not economize upon that; and seven-tenths of mankind do not buy any more foodstuffs in peace times than they need. They can not cut it off much; but when it comes to clothing, the man says: "Well, I will do without a new suit." The wife says: "I will do without a new dress." They can economize, and so calicos and other dress clothing fall; and they say: "Well, never mind if the old sheet has a hole in it; put it back on the bed anyhow. We have not got money enough to buy a new one right now without troubling us." So shirtings and sheetings and everything else goes down, and raw cotton out of which to make them especially does. The only time when war can help the price of cotton is when the semi or quasi monopolistic cotton section of the United States is itself involved in a war. Then, of course, the transportation of cotton abroad is interfered with by blockades and cotton may rise, as it did in Manchester during the war between the States, to $1.50 a pound.

Mr. WEST. That was the point I was expecting to raise when the Senator made the remark.

Mr. WILLIAMS. All right. I am mighty glad I made it, because I have more confidence in it after I know the Senator wanted it.

So far as the balance of the United States is concerned, although no part of the world can possibly be permanently helped by warfare and bloodshed and devastation of property in any of the balance of the world, it will be helped temporarily. As far as we are concerned in the South, in the cotton belt, of course cotton must suffer a certain loss, because outside of the ultimate consumer's economy is the fact that the male help in the factories of Germany and France will be put in uniforms. Germany takes some 300,000 bales of cotton per month from the United States, and France about 175,000 bales per month. I mean during the cotton season, which lasts about three or four months. There is, however, one good thing that I want to mention to the people of the United States, and those in the South especially, about cotton factories which in ordinary times is a bad thing, but in war times is a good thing: Most of the help in the cotton factories is women and children—children over 16 or over 14 or whatever the local laws are, and the women—and they will not be pressed into war. It is not like a steel factory, where perhaps every man may have to go out from the furnaces to put on a Prussian uniform in Germany, or to put on some other uniform somewhere else.

Now, I want the people, if they can, to hold their heads and not get excited. In every great crisis that comes people come to you, and their first cry is, "More money!" We have plenty of money, ready to be distributed. As my old grandfather used to say, "I never saw the time when there was too little money. I have frequently seen the time when there was too little collateral." We have provided a banking system, and by this amendment which the House has sent over and by the agreement which comes out of conference we have made the broadest possible provision for depositing live, valuable, commercial assets and getting currency for them.

I want the country to understand, as far as my weak voice can impress it upon the country, and especially upon my own section and State, that there is no reason to grow panicky at all; that when this great, foolish, stupid blunder of war is over the United States will come out, with the Red, White, and Blue flying, as the only country on the globe of any importance that had sense enough to keep its head. Even a nation needs a head. Now and then, when I am fooling along here in Washington, I think maybe it has too many heads, and that they are not quite so good as they ought to be; but even a nation needs a head. It needs what Jonathan Bourne called a composite head, or it needs a certain definite head; but, at any rate, it needs brains and intellect; and the great thing is for the country not to get excited, not to imagine that everything is going to pieces.

If you could take the cotton crop to-day and carry it over by a system of valorization, as Brazil did with her coffee; if you carried the surplus over to the next year and the war lasted six months or one year, and this surplus were thereby piled upon the market at the end of the next crop as an increased supply somewhere to sell, plus the next year's production; and if the acreage would be increased by holding out the hope of valorization, then, at the end of the entire struggle of two or three years you might have cotton worth 4, 5, or 6 cents a pound. So the thing is simply to hold our head and be calm and be deliberate, to love peace, and to remember this, and with that I shall conclude and shall ask unanimous consent.

What I hate about war is not the men who are killed—they can be reproduced; it is not the number of women who starve to death—and I have seen it when I was a boy—for they can be reproduced; it is only a question of a generation or so. What I hate about it is that every dollar that is taken out and literally burned up in powder and cannon and uniforms is subtracted from churches and schools and agriculture and scientific research and educational enrichment and from the great philanthropic social activities of every description which in time of peace push men forward. There never was a people yet who went through a war without losing, not dollar for dollar on account of this subtraction, but two dollars for one; because it is not only the dollar that is subtracted, but it is the other dollar taken out of the pocket of the citizen for war or economy purposes, where he might have been producing something instead of wearing the uniform. That makes it at least 2 to 1.

If I were to go out of the Senate door right now and attack the Senator from New Hampshire and pull a pistol upon him and he were to pull one upon me, it would be less idiotic and less insane and less stupid and asinine than this war in Europe is right now. What do they say they are quarreling about? Because an archduke was assassinated by a fanatic. You and I know that that is not the case. Everybody knows that. I am a member of the Foreign Relations Committee, and I reckon I ought not to be too blunt in my speech about what is taking place abroad. Being a United States Senator, somebody might think it was a sort of a semiofficial utterance that I had no right to make, and I shall not go any further along that line. But what hurts me about it all is this: I have lived and seen. Take me myself. I belong to a family of large people. Every boy I have except one is over 6 feet tall. My ancestors were. You people starved me to death when I was growing, and starved my brother in the same way. So you stunt everything. You stunt education; you stunt religion; you stunt social progress; you stunt hospitality; you stunt international inter-relationship, which is a very precious thing; and the whole thing is just simply—oh, I do not know. I can not find language to express what I think about it, because I know of no stronger words than I have already used. If I knew any, I would use them.

The thing for the people of the United States to do is to keep their heads cool and their hearts warm in charity and sympathy for all these poor people—farmers, mechanics, factory workers—who will have to bear abroad the burden of idiotic war. The Junkerthum of Prussia and the Reichsrath and the Corps Legislatif and the Austrian Assembly and the British Parliament will not have one man out of forty hurt.

I think if there were a law that whenever war was declared every member of the legislative assembly declaring it must go to the front in the first rank, there would be less war than we have now; and, besides that, we would get a lot of fools killed, which would be a great advantage to the civilized world—war fools especially. I have no sympathy with them.

I have read the bill and I have stated the reason for introducing it, and I ask unanimous consent that it may be referred to the Committee on Foreign Relations.

The bill (S. 6214) to authorize and empower the Secretary of the Treasury, by and with the approval of the President of the United States, to purchase certain ships, was read twice by its title and referred to the Committee on Foreign Relations.

REGISTRY OF FOREIGN-BUILT VESSELS.

Mr. JONES. I have an amendment which I intend to propose to House bill 18202, which passed the House yesterday. I ask permission to offer it and have it printed and referred to the Committee on Interoceanic Canals. A similar amendment has already been by unanimous consent offered to-day and referred.

The PRESIDING OFFICER. Without objection, it will be so ordered. The Chair hears none.

RELIEF OF AMERICAN CITIZENS ABROAD (H. DOC. NO. 1137).

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, referred to the Committee on Appropriations, and ordered to be printed:

To the Senate and House of Representatives:

After further consideration of the existing condition in Europe, in so far as it is affecting citizens of the United States who are there without means, financial or otherwise, to return to their homes in this country, it seems incumbent upon the Government to take steps at once to provide adequate means, by the chartering of vessels or otherwise, of bringing Americans out of the disturbed region and conveying them to their homes in the United States. Moreover, in view of the difficulty of obtaining money upon letters of credit, with which most Americans abroad are supplied, it will be necessary to send agents abroad with funds, which can be advanced on such evidences of credit or used for the assistance of destitute citizens of the United States.

In these circumstances I recommend the immediate passage by the Congress of an act appropriating $2,500,000, or so much thereof as may be necessary, to be placed at the disposal of the President for the relief, protection, and transportation of American citizens and for personal services, rent, and other expenses which may be incurred in the District of Columbia or elsewhere connected with or growing out of the existing disturbance in Europe.

WOODROW WILSON.

THE WHITE HOUSE, *August 4, 1914.*

OIL AND GAS LANDS.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 5673) to amend an act entitled "An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States or their successors in interest," approved March 2, 1911.

Mr. PITTMAN. I move that the Senate disagree to the amendment of the House and insist on the bill as passed by the Senate, that it request a conference with the House on the disagreeing votes, and that the conferees on behalf of the Senate be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. PITTMAN, Mr. HUGHES, and Mr. CLARK of Wyoming conferees on the part of the Senate.

FEDERAL TRADE COMMISSION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

Mr. LANE. Mr. President, I am in hearty sympathy and in entire accord with the object which the authors of this bill say that they seek to obtain. On the other hand, however, I have but little confidence in the methods which they have adopted to obtain that object. The bill will no doubt pass with all its indirection and lack of virility, and I, among others, who had hoped for better things along these lines, will be compelled to vote for it. May God have mercy on our souls. With all due and commensurate respect for it and its authors, I and others who had hoped for something better for the people of this country find ourselves situated as was Dean Swift, who was by circumstances over which he had no control forced to dine at the house of a notorious skinflint, when called upon to ask a blessing upon the meagre fare set before him, and did so by saying, "For what we are about to receive, O Lord, make us correspondingly grateful."

So far as I have been able to ascertain, no two of the many able attorneys in the Senate are able to agree on what this bill means or what it will accomplish if it becomes a law. After carefully listening to many of the arguments, both for and against it, I have come to the conclusion that if it is going to

require of the business men of this country the time to guess out its meaning which has been consumed here in explaining it, it is too involved in that respect to be worth enacting into a law.

The reason for this difficulty with it, I think, is due to the fact that it attempts to remedy certain evils in a half-hearted manner and by adopting indirect methods instead of boldly grasping the subject and administering the treatment which will accomplish the desired result.

There are certain existing evils which have been fastened upon the people of this country which are sapping its prosperity and which will ultimately destroy or permanently cripple it if they are not removed. These evils and the cause for their existence are apparent and well known, and it seems to me that out of the large number of able attorneys who are Members of this body some one could be found to formulate a measure, simple and effective, which would declare the fraud and the theft which is being practiced upon the people of this country to be unlawful and to provide penalties for the same.

The time for the enactment of some such simple measure which will give relief from continued acts of injustice and downright dishonesty which mulct the people out of hundreds of millions of dollars each year, is long overdue, and no temporizing measures which fall short of accomplishing the result or which indirectly authorize the agents of the people to enter into negotiations and exchanges of visits and views with the crooks who are engaged in looting their principals is going to relieve the situation or be looked upon by them either with approval or without suspicion.

The passage of a measure under the terms of which any and every small and honorable dealer may be put to intentional and infinite annoyance or driven out of business by his larger or more crafty rival and from which he has everything to fear and nothing to gain, whereas, upon the other hand, intrenched, dishonest business interests, through negotiations, may have their methods pronounced to be not too unreasonably unfair, and have everything to gain and nothing to lose by taking a chance on befuddling a commission with countless definitions of fair and unfair competition, will but add delay to the solution of a question that presses for an answer.

Unmuzzled criminals who are engaged in robbing other and better people should be estopped and dealt with as are other and less harmful thieves.

If commissions are to be appointed to ponder upon and weigh the exact amount of unfairness which is involved in extortions whereby unfortunate mothers and helpless children are made to suffer from lack of a sufficient supply of bread and other simple food supplies, and in consequence of the far-reaching effects of similar illy balanced economic conditions some scores of little babies die within the circle of a mile from this Chamber of much talk and dilatory methods, I see no reason why a board of supervisors should not be created with whom the more merciful porch climbers, pickpockets, yegg and "stick-up" men might be allowed to consult in order to receive due and respectful consideration as to the ultimate benefits and disadvantages which accrues to society at large in the ultimate analysis from the carrying on of their chosen professions.

If it be true that hundreds of thousands and millions of people in this country are being compelled to accept arbitrarily fixed and unjustly low prices for the products of their toil, while at the same time they and others on the other hand are also being compelled to pay arbitrarily fixed and unjustly high prices for what they consume, they are being robbed, and it would be well to say so by act of Congress in place of setting a commission to work hunting down individual and probably lesser examples of a general and well-established evil. Sooner or later this social cancer which is eating into the body politic must be destroyed and palliatives and placebos will only serve to kill time during which the evil growth will secure a deeper hold.

To delegate the sovereign power of Congress to a commission which will be drafted from God knows where will not only lead to unending delay but will add an enormous expense to a long-suffering and already overburdened people.

Commissions of the kind here contemplated are in no wise responsible for their acts to the people, yet the people are to be bound by their decisions. They are suffering now from the decisions respecting business methods by persons whom Congress allows to prey upon them and has failed to make responsible to them for their predatory acts, and under this bill a commission which may be entirely in sympathy and harmony with such predatory interests is to be placed over them in a position where they can make and enforce a mandate that the people of this country shall continue to be robbed as they are now being robbed, and by the same set of criminals.

If it were so constituted there might come from it decisions which would definitely fix upon them some of the most oppressive practices under which they are now struggling. This is a danger that no wise man can afford to overlook in considering his vote upon this bill. This country has had experience with officials who have been more than tender to the interests of those who sought special privileges at the expense of the people; in fact, there would be no need of the present attempted legislation or any other of a similar character if such had not been its experience, and as a Nation we are yet in our youth.

This measure, if it becomes a law, will set upon foot a set of investigations into the details of business which, if they should be deflected into minor channels among small traders, might go on indefinitely without ever reaching the larger and more dangerous combinations which have secured a strangle hold on the food locker of every poor family in this country.

The possibilities for unlimited investigations and paucity of results which can be carried on at the expense of the people under its grant of powers in that respect reminds me of the rather simple but effective plan which is sometimes adopted by nurses to keep a restless baby quiet while she devotes her time to something aside from what she is being paid for doing. She smears a little adhesive, such as is spread on fly paper, on each of the baby's index fingers and then places a nice fluffy feather on one of them. That is all that is necessary; when she has done that, "the game is made," and her attention to that infant is no longer required. The misguided and bamboozled baby instantly drops everything else and gravely reaches out to pick the feather off that finger with the other hand, and, of course, the feather is transferred to it. Just why it should make any difference to a baby, or anyone else, upon which hand a feather was stuck I have never been able to ascertain. I only know that for an hour at a stretch a baby, with all the solemnity which a trades commission sitting in judgment in the effort to ascertain whether a man had taken an unfair advantage of his competitor by crossing his honey bees with lightning bugs in order that they might gather honey at night, while those of his competitor were asleep, could bring to bear on that problem, will transfer the feather from the one hand to the other, back and forth, entirely oblivious to its surroundings or creature comforts, until it drops to sleep from exhaustion.

It is a simple little trick, which succeeds for the reason that it fixes the attention of the child and attracts it away from the real game; and inasmuch as it at all times promises success and as it every time almost, but not quite, succeeds, it works wonders. I do not wish to suggest that the present bill has been designedly drawn with intent to create a device to divert the attention of the people from their real needs, but by some freak of fate it will more nearly, in my opinion, accomplish that than any other result.

I have had experience with multiple boards and commissions in the conduct of public business, and I would deplore the creation of more of them than we now have in carrying on the affairs of this Nation. There is about them a division of authority and lack of responsibility and cohesion which is fatal to success. In fact, the creation of commissions is a confession of weakness on the part of a people in conducting their affairs, and I do not think that this country has reached that stage, although I feel free to confess that I may be mistaken. In fact, it has been tried out in nearly every municipality in this country, and the affairs of the people have been vested in various and divers boards, and always it has resulted simply in loss and mismanagement, or at least in careless oversight and general bad government. The loss, I would estimate, would average anywhere from 25 to 30 per cent of all public moneys expended. Many cities, having found that it was a failure, have dissolved all their commissions and placed their entire affairs in the hands of a single commission. In the time yet to come in the management of municipal affairs, I prophesy that they will go further than that; they will vest all executive power in the hands of one trusted public official at the head of their municipal government.

The legislative power will be given into the hands of a carefully selected few honorable gentlemen, and then reserving in the hands of the people the right to recall all of these officials at any time if their affairs are not carried on successfully, they will get speedy results, direct action, and save a large loss of time and money.

If these powers which are being vested upon a commission were placed in the hands of the Attorney General or some specially designated officer, and he were given sufficient power to

carry on the work, the people of this country would get direct benefit; or if they did not, they would know who was responsible. As it is in this bill, there will be a commission of five; one or two of them will be wise men and one or two more of them will not be so wise; some will have views of one kind and others of another, the same as the views are divergent here in this body. It will be slow work and hard work to convince them all as to the proper course to pursue to get them to take speedy action.

I look for no immediate or for no very good results. Although I think the intention of the authors in drawing this measure was good, yet I think they have had but little experience with the management of public affairs at the hands of commissions, or they would not have created one to do this work.

I have purposely made these remarks for the reason that I wish to place myself upon record. I expect to be compelled to vote for this bill, for the reason that there will be nothing better offered; yet I want it known to my fellow Members that I do so only for that reason, and that I have all along hoped that some able attorney here would draw a direct, a simple, and a concise measure which would declare these frauds which are being practiced upon the people, and they are worse than frauds, to be unlawful, and then provide a penalty for committing them, and place them definitely in the hands of the Attorney General, and then add a clause holding that very worthy official responsible to the people of this country if he did not perform his duty.

Mr. KENYON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Hollis	Newlands	Smith, Md.
Brandegee	Hughes	Norris	Smoot
Bristow	James	O'Gorman	Sterling
Bryan	Johnson	Overman	Stone
Burton	Jones	Owen	Sutherland
Camden	Kenyon	Page	Swanson
Chamberlain	Kern	Perkins	Thomas
Chilton	Lane	Pittman	Thompson
Clapp	Lea, Tenn.	Pomerene	Thornton
Clark, Wyo.	Lee, Md.	Ransdell	Tillman
Clarke, Ark.	Lippitt	Reed	Vardaman
Crawford	McCumber	Saulsbury	Walsh
Culberson	Martin, Va.	Shafroth	Weeks
Cummins	Martine, N. J.	Sheppard	West
Fall	Myers	Simmons	White
Gallinger	Nelson	Smith, Ariz.	Williams

Mr. SMITH of Arizona. I wish to announce the temporary absence of my colleague [Mr. ASHURST] from the Chamber.

Mr. LEE of Maryland. I wish to state that the Senator from Illinois [Mr. LEWIS] is detained by official business.

Mr. GALLINGER. I wish to announce the unavoidable absence of the junior Senator from Maine [Mr. BURLEIGH] on account of sickness in his family.

The PRESIDING OFFICER. Sixty-four Senators have answered to their names. There is a quorum present.

Mr. REED obtained the floor.

TRANSFER OF VESSELS FROM COASTWISE TRADE.

Mr. GALLINGER. Mr. President, will the Senator yield to me a moment?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from New Hampshire?

Mr. REED. I yield to the Senator.

Mr. GALLINGER. Mr. President, I am aware of the fact that we are working under a rule that prevents the introduction of other business, but unanimous consent has several times been given to-day for that purpose, and I have a simple Senate resolution relating to a matter which has come from the other House which is very important. I ask unanimous consent that I may offer it now.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. GALLINGER. I send to the desk a resolution for which I ask immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The Secretary read the resolution (S. Res. 436), as follows:

Resolved, That the Secretary of Commerce is hereby directed to make careful inquiry into the possibility of securing vessels now engaged in the coastwise trade of the United States for transfer to the foreign trade, with a view to meeting the present emergency in over-seas transportation, report to be made to the Senate at the earliest practicable day.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered by unanimous consent and agreed to.

INTERNATIONAL SANITARY CONFERENCE.

Mr. MARTIN of Virginia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Virginia?

Mr. REED. I do.

Mr. MARTIN of Virginia. I ask leave to report a bill at this time, and ask that it go to the calendar.

The PRESIDING OFFICER. In the absence of objection, the report will be received.

Mr. MARTIN of Virginia. I am directed by the Committee on Appropriations, to which was referred the joint resolution (S. J. Res. 166) authorizing the President to designate two officers connected with the Public Health Service to represent the United States at the Sixth International Sanitary Conference of American States, to be held at Montevideo, Uruguay, in December, 1914, and making an appropriation to pay the expenses of said representatives, and for other purposes, to report it without amendment.

The PRESIDING OFFICER. The bill will be placed on the calendar.

FEDERAL TRADE COMMISSION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

Mr. REED. Mr. President, I offer the amendment which I send to the desk, to go into the bill immediately following section 5 and to be known as section 6. Of course that contemplates the renumbering of the succeeding sections.

The PRESIDING OFFICER. The amendment proposed by the Senator from Missouri will be stated.

The SECRETARY. It is proposed to insert a new section, to stand as section 6 and to read as follows:

SEC. 6. The term "unfair competition" as used in section 5 is hereby defined to embrace all those acts, devices, concealments, threats, coercions, deceits, frauds, dishonest practices, false representations, slanders of business, and all other acts or devices done or used with the intent or calculated to destroy or unreasonably hinder the business of another or prevent another from engaging in business, or to restrain trade or to create a monopoly.

Mr. REED. Mr. President, no one knows better than myself that I have taken too much of the Senate's time in discussing the various propositions involved in this bill; no one more than myself regrets that fact; but this is one of the most important measures that has been before Congress in many years. It makes a radical change in our laws. It embarks us on new seas.

The amendment I have offered I earnestly ask consideration for. For a number of days during the debate it was conceded by the authors of this bill that the only reason they had not defined the term "unfair competition" was because they had been unable to write a definition sufficiently broad in its terms to embrace the practices they desired to prohibit. Repeatedly I was challenged by the distinguished chairman of the committee reporting the bill to write such a definition, and at least the Senator from New Hampshire [Mr. HOLLIS] challenged my good faith because I had not written such a definition.

I appreciate the difficulty of defining the thought which is in the minds of those who are pushing this bill. While I do not claim for it perfection, I contend, however, that the definition now submitted does define with reasonable accuracy and certainty the practices which it is desired to prohibit. I maintain that unless we do place this definition or some other definition in this statute, it is extremely likely that the statute will be held not to at all cover the practices against which we seek to legislate.

Mr. President, it is all right for Senators to abandon the Chamber; it is all right for them to retire to the cloakrooms and to smoke while the discussion goes on, and then to rush into the Chamber and demand an immediate vote; but I undertake to say that the day will come when every man who has treated this as a light question will have occasion in his own heart to regret the fact that he did not give it earnest consideration.

I am surprised to find this situation. Nearly every Senator wants to reach certain dishonest methods that have been employed by great corporations and monopolies to destroy their weaker antagonists. That being the common purpose, it would seem that all should be willing to pursue the highway of safety rather than the doubtful path of experimentation and guesswork. It seems to me that a sincere friend of this bill ought not to take the chance of its being stricken down as unconstitutional when it is perfectly plain that that chance need not be taken.

I have no quarrel with those men who have implicit confidence in their own judgment of constitutional questions. A man who does not have some confidence in his own opinion amounts to but little; but in view of the fact that this question must ultimately be determined by a human tribunal, in view of the fact that that tribunal may have upon it men who are not so wise as these constitutional lawyers who are so confident, it seems to me that the part of prudence would be to pay some regard to the opinions of others, lest some person equally foolish may peradventure be upon the commission or upon some court passing upon the acts of the commission.

We are presented with the situation that in this Chamber Senators who for years have sat upon the Federal bench with distinction and credit have declared section 5 of the bill as it is now written to be not only unconstitutional but dangerous. We see men who have been judges of State supreme courts entertaining like views; we see lawyers who have attained to distinction at the bar of their respective States expressing like opinions. It seems to me that fact, at least, suggests a danger. It seems to me that the real friends of this bill, one of whom I claim to be if the bill is properly safeguarded, ought to want to avoid that danger.

The old illustration comes to my mind at this moment of a great contest of charioteers. To display their skill they each in turn drove along the sheer edge of a precipice, each endeavoring to drive his chariot closer to the dangerous edge of the chasm. Finally one charioteer, to the astonishment of all, drove his master as far away from the edge of the precipice as he could carry him. When asked why, he declared that it was no part of the business or the duty of the driver of a chariot to carry his master into unnecessary danger; that it was his duty to avoid every unnecessary hazard and only to carry his master into peril when the interests of the state so demanded it. That driver was by the wise men of the day awarded the palm as the best charioteer in the contest.

When we are framing a law we ought to try to draw it so that it will stand the test of every assault. We ought also to try to frame it so that every citizen reading the law can tell what is prohibited and what is permitted.

Mr. President, the bill as it now stands contains no definition whatever of unfair competition. There is not a line in it, from its first word to its last letter, suggesting even by inference of the remotest degree what is meant by the term "unfair competition." The term stands out alone; it is isolated from everything in the bill. It is expressed in the eight words:

Unfair competition in commerce is hereby declared unlawful.

If, therefore, we are to ascertain its meaning we must go outside of the bill for that meaning.

I repeat what I said a few days ago, that this phrase is not to be compared with the sections of the Sherman Antitrust Act, for there, while the term "restraint of trade" was used, that term had a meaning in the law. The words "restraint of trade" and the word "monopoly" did not stand out alone, but the context that went with those words in each section plainly exposed the purpose of the authors of that bill and the legislative purpose in enacting it. But here we have a section declaring "unfair competition" to be unlawful, without a word in the bill to define that term or to throw light upon the legislative intent. Unless, therefore, the term is defined outside the bill there can be no meaning ascribed to it.

Now, Mr. President, I affirm, and I am about to undertake to demonstrate, that there has been much misrepresentation of the law upon this question. The Senator from New Hampshire [Mr. HOLLIS] read here a learned document, which I shall undertake to demonstrate—not because I have any controversy with him or with Mr. Rublee, but because I have controversy with the ideas advanced—did not, in scarcely a single particular, set forth the law, fairly present the decisions, or fairly quote the statutes upon which he relied.

As I have stated, it would not be worth while to take the time of the Senate to thrash out any differences or disputes between the Senator from New Hampshire and myself, but his authorities went into the RECORD, and beyond doubt some Senators were led to believe they were as represented. The first thing I want to call your attention to is this statement, which is found in the speech of the Senator from New Hampshire—I am going to read a little of it:

In his remarks on this subject on July 13 the distinguished Senator challenged any friend of the bill to produce an authority to show that the term "unfair competition" covers the abuses at which this bill is aimed.

Before I conclude I shall produce many such authorities—

I pause to say now that he produced not one such authority. I continue reading:

Before I conclude I shall produce many such authorities. But first I may be pardoned for the suggestion that the Senator was equally emphatic when he based his first argument on an overruled case, and his second argument on a proposition he has himself overruled.

That is a little byplay that I need not pause to discuss; but following on:

I have tried to find the latest edition of Black's Law Dictionary, which was quoted from copiously by the Senator in his speech. I have not been able to find it, but it is no doubt correctly quoted from. I do find, however, in Black's Law Dictionary, edition of 1891, page 238, the following:

"Competition: In Scotch practice. The contest among creditors claiming on their respective diligences, or creditors claiming on their securities."

The Senator continued:

Now, there is a definition of the word "competition," and, under the reasoning of the Senator, because unfair competition is defined in a dictionary or in cases as applying only to cases of palming off goods or substitution, then the same argument would apply here, and when the word "competition" is used it has this extremely limited meaning. But would anyone argue that this precise, limited meaning of the word "competition" would bind courts in construing a statute dealing with competition?

I have looked through Anderson's Law Dictionary, through Abbott's Law Dictionary, and Bouvier's Law Dictionary, and I find no such limited definition of "unfair competition."

I have carefully examined many of the cases cited by the Senator to establish the point that the term "unfair competition" is confined in law exclusively to the practice of substituting one kind of goods for another. None of these cases supports the Senator's proposition.

And a little later the Senator states, after citing numerous cases:

In addition there are numerous textbooks on unfair competition in which the authorities are collected and analyzed.

And then the Senator says:

Among such works are Singer on Trade-Mark Laws of the World, and Unfair Trade; Paul on the Law of Trade-Marks, Including Trade Names and Unfair Competition; Nims on the Law of Unfair Business Competition; Hopkins on the Law of Trade-Marks, Trade Names, and Unfair Competition; Hesseltine's Digest of the Law of Trade-Marks and Unfair Trade.

All this to support his statement that the definition of unfair competition he gave was to be found in the aforementioned books; all to support his charge, either direct or indirect, that I did not quote fairly from the authorities.

Mr. President, every authority cited by the Senator I shall undertake to show—I am referring now to the textbooks—is squarely against his position, squarely condemns his doctrine, and is an authority absolutely against the claim he made here upon the floor of the Senate.

First, I want to convince the Senator that the definition of unfair competition which I read from the second edition of Black's Law Dictionary is in the book, and I find that it reads exactly as it read when I previously produced it in the Senate. If the Senator could not find the 1910 edition of Black's Dictionary, it was because his industry was not equal to his zeal. Here it is:

Unfair competition: A term which may be applied generally to all dishonest or fraudulent rivalry in trade and commerce, but is particularly applied in the courts of equity (where it may be restrained by injunction) to the practice of endeavoring to substitute one's own goods or products in the markets for those of another, having an established reputation and extensive sale, by means of imitating or counterfeiting the name, title, size, shape, or distinctive peculiarities of the article—

And so forth.

And lest the Senator should doubt my statement that that definition is in Black's, I hand him the book.

Then the Senator, as showing that the term "unfair competition" had no such meaning, cited, without quoting, Singer on Trade-Marks. I hold in my hand Singer on Trade-Marks, and at page 630, under the title "Unfair competition," I find this——

Mr. HOLLIS. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from New Hampshire?

Mr. REED. Oh, yes; the Senator would not yield to me the other day, but I will yield to him.

Mr. HOLLIS. Mr. President, I am afraid the Senator will never forget that. I began my remarks on that occasion by asking not to be interrupted, and it seems to have hurt the Senator's feelings.

In the address which I made on that day I gave the authorities so that all Members of the Senate could look at them. The authority the Senator is quoting from now I did not cite as supporting my side of the controversy more than his own. I had finished the particular authorities to which I referred, and I then referred to the general authorities on the subject, not stating that they supported my contention or his, but leaving them to be read by the Senators if they cared to do so.

Mr. REED. Well, Mr. President, I will read exactly what the Senator said. After a long argument, in which he asserted that the term "unfair competition" did not have the restricted

meaning I asserted it to have, and as a part of his argument to that effect, he went on to say:

In order to get very complete and specific information about unfair competition one has only to turn to the decrees in cases under the Sherman Act.

Very complete and specific information as to what? That I was right? Why, the Senator was trying to batter my views down, trying to batter my definition down. Clearly he intended to be understood that these authorities sustained his point. Did you ever hear of a lawyer in a case citing authorities for the other side?

I continue to read:

There will be found precisely defined numerous examples of unfair competition. Nowhere is it more indispensable to use language having precise meaning than in a decree. Yet in the case of United States against General Electric Co., in the decree entered by the Circuit Court for the Northern District of Ohio, Eastern Division, at the end of the eighth clause, enjoining the use of a specific unfair method of competition, the following language is found:

"*Provided further*, That nothing in this decree shall be taken in any respect to enjoin or restrain fair, free, and open competition."

In addition—

Says the Senator—

there are numerous textbooks on unfair competition in which the authorities are collected and analyzed. Among such works are Singer on Trade-Mark Laws of the World, and Unfair Trade.

Then follows a long statement of authorities. Now, it is perfectly plain the Senator cited those authorities and led the Senate to believe that those authorities sustained his position. I now call attention to what the authorities do say.

I refer again to Singer on Trade-Marks, at page 630. I am reading from the 1913 edition, the very latest, probably, that there is:

UNFAIR COMPETITION.

No trader has a right to pass off his goods as though they were the goods of another trader

The majority of unfair-competition cases are instances of attempts by the defendant to pass off his goods as those of his rival. There are cases, however, of attempts of defendants to pass off not their goods as those of the rival but the rival's goods as their goods and goods of third persons as the goods of the plaintiff. These are just as much cases of unfair competition—passing-off cases—as the more common sort. (Nims on Unfair Competition, sec. 15.)

Unfair competition consists essentially in the conduct of a trade or business in such a manner that there is an express or implied representation that the goods or business of the one man are the goods or business of another.

Then a long chapter on the subject follows, which I shall not take time to read, describing various devices that have been condemned, because and only because the public has been deceived with reference to the real manufacturer of a particular article, and because the devices have been used to steal the trade of a dealer. Here is the latest that I have found in the textbooks, the 1913 edition, and it was cited by the distinguished Senator as showing that I had been wrong in saying that the courts had given "unfair competition" the restricted meaning I have just indicated.

The next book referred to by the Senator as sustaining the so-called broad definition of "unfair competition" was Paul on Trade-Marks. I read now from that author under the heading "Unfair competition in trade," paragraph 209, subhead "Basis of the rule—General principles":

The law of unfair competition rests upon the simple principle that no person has the right to sell his own goods as those of another. In other words, the basic rule is that no one shall, by imitation or any unfair device, induce the public to believe that the goods he offers for sale are the goods of another, and thereby appropriate to himself the value of the reputation which the other has acquired for his own products or merchandise.

It seems to me this declaration brings mighty cold comfort for those who say that these books are the ones they rely on to show that "unfair competition" does not embrace simply the particular practice of "substitution," but has a horizon so broad that it embraces everything that is unfair, everything that is rascally, everything that does not accord with the highest ethics or the purest morals.

The Senator quoted from Nims on Unfair Competition, paragraph 15. I am reading from Nims:

The majority of unfair-competition cases are instances of attempts by the defendant to pass off his goods as those of his rival. There are cases, however, of attempts of defendants to pass off, not their goods as those of the rival, but the rival's goods as their goods and goods of third persons as the goods of the plaintiff. These are just as much cases of unfair competition—passing-off cases—as the more common sort.

That is the very language that is quoted in the author I just read from.

Then, at paragraph 14, the definitions of "unfair competition" are given:

The following are various statements of the courts as to what unfair competition is. These citations do not cover the ground fully, for this doctrine of law, as has been said, is not stable; it is continually being applied to new wrongs, continually being invoked to right injuries that arise from new combinations of circumstances which work injury and fraud. The fundamental rule is—

Now, here is the fundamental rule—and you will find all of the practices referred to are condemned because they are grouped around this:

The fundamental rule is that one man has no right to palm off his own goods as the goods of a rival trader, and "he can not, therefore," in the language of Lord Langdale in Perry *v.* Truefitt, "be allowed to use names, marks, letters, or other indicia, by which he may induce purchasers to believe that the goods which he is selling are the manufacture of another person." Referring to the above, Lord Herschell, in Reddaway *v.* Banham, said: "It is, in my opinion, this fundamental rule which governs all cases."

"Irrespective of the technical question of trade-mark, the defendants have no right to dress their goods up in such manner as to deceive an intending purchaser"—

And so forth.

I do not find in this book any instance, although I have not read it through from cover to cover, where the unfair competition is not of a character and nature which is embraced within the prohibition against the substitution of one man's goods for the goods of another, yet this is one of the authorities cited by the learned Senator.

The Senator also cited the Law of Trade-Marks and Unfair Trade, by Hesseltine. I read from that book, the 1906 edition, which is the latest I have been able to find and which I think is the latest work by this author upon the subject:

Unfair trade—

Not unfair competition; and there is a great difference between the two terms.

Unfair trade—

Which is the nearest approach to the term "unfair competition" I find in this book—

A. A descriptive sign not in general use if used by a party with the intention of pirating on the good will of another who has acquired a reputation under it and of palming off on the public his goods as those of another may be protected on the ground of unfair trade.

The tendency of the courts at the present time seems to be to restrict the scope of the law applicable to technical trade-marks and to extend its scope in cases of unfair competition. (Church & Dwight Co. *v.* Russ, 99 Fed. R., 276.)

Then the author proceeds to discuss the "unfair trade," and in every instance the discussion relates to the subject matter I have been discussing, to wit, the substitution of one man's goods for the goods of another.

The Senator from New Hampshire cited Hopkins on Unfair Trade as one of his authorities, but did not quote from it. I was unable to bring the book here to make profert of it, but at page 24 this will be found. I quote:

In 1896 Lord Chancellor Halsbury, addressing the House of Lords, said: "For myself, I believe the principle of the law may be very plainly stated, and that is that nobody has any right to represent his goods as the goods of somebody else." This sentence is a terse statement of the fundamental maxim of unfair competition. The English courts have long recognized the rule, and it may be found repeated in various phraseology by all the English courts within whose jurisdiction trade-mark and analogous cases have come.

I quote further, from page 25:

Not until 1888 did the United States Supreme Court give distinct recognition to the law of unfair competition, and three years later Mr. Chief Justice Fuller announced the doctrine clearly and unequivocally in these terms: "It seems, however, to be contended that plaintiff was entitled at least to an injunction upon the principles applicable to cacses analogous to trade-marks; that is to say, on the ground of fraud on the public and on the plaintiff perpetrated by defendant by intentionally and fraudulently selling its goods as those of the plaintiff."

Mr. President, I come now to another very interesting phase of this discussion. For the first time in my life I have heard a lawyer in court or out of court say that you can get the meaning of a term employed in a Federal statute by going to the statutes of various States where that term is defined, unless the Federal statute had been copied from the State statute. Even in that event nothing would avail unless you carried into the Federal statute the definition contained in the State statute, for if you did not carry it in you could not claim you had copied a law and hence were entitled to carry with the law its meaning. You can not incorporate a statute by using one term out of a statute. But the argument—and it has seemed to me to be a laughable argument—has been that the term "unfair competition" having been employed, as it was asserted, by various State legislatures, therefore it has a meaning, and that that meaning will now be given to the term as we employ it here.

There are three or four answers to that. I will make the weakest one first. The weakest answer to it is that in every single one of these statutes the term employed is in the statute defined. Hence we gain no definition of the term unless we incorporate the definition in the statute, and we do not propose here to reincorporate that definition.

Second. I believe I may say without overstatement that there are no two of the statutes which define the term in the same way. Now, I appeal to the few logicians who still sit in the

Senate. I do not appeal to the Senators in the cloakroom who clamor so loudly for attendance here, but who take their orders and do not see fit to pause and consider. If there are 10 statutes, all defining "unfair competition" in a different way, where will you get your rule as to the meaning of the term "unfair competition"?

If you have 10 different meanings, which one is to be accepted? Are you to add them all together and say "It means all of these things," or are you to pick the one that suits you best and say "This is what it means," or are you to add them together and divide them by the total number and get the average of what they all mean?

An argument of that kind ought to shock even the superb and indomitable courage of the legislative Ajax of this century, the distinguished chairman of the committee.

But, sir, I am here to say that the term "unfair competition" is not even defined in a single State statute that I have found. The astonishing thing is that the Senator from New Hampshire read all these statutes, or excerpts from them, and asserted them to be statutes defining unfair competition. Here is the way this document my friend read from appears in the RECORD. It was very carefully prepared for the RECORD:

California Statutes, 1913, page 508; act 4207a; title 526a:

UNFAIR COMPETITION.

Then the Senator read this:

An act relating to unfair competition and discrimination, making certain unfair and discriminatory practices unlawful, defining the duties of the attorney general, etc.

The Senator reproduced the title of the act. But, Mr. President, what is the body of the act? Now I am challenging the attention of the distinguished chairman of this committee. I am also challenging the attention of the Senator who read the title of this act and did not read the body, and who read it as a definition of "unfair competition."

This is the body of the act:

1. It shall be unlawful for any person, firm, or corporation doing business in the State of California and engaged in the production, manufacture, distribution, or sale of any commodity of general use or consumption, or the product or service of any public utility, with the intent to destroy the competition of any regular established dealer in such commodity, product, or service, or to prevent the competition of any person, firm, private corporation, or municipal or other public corporation, who or which in good faith intends and attempts to become such dealer—

To do what? To be guilty of unfair competition? No—

to discriminate between different sections, communities, or cities, or portions thereof, of this State, by selling or furnishing such commodity, product, or service at a lower rate in one section, community, or city, or any portion thereof, than in another, after making allowance for difference, if any, in the grade, quality, or quantity, and for cost differences between such places due to distance from the point of production, manufacture, or distribution, and expense of distribution and operation. This act is not intended to prohibit the meeting in good faith of a competitive rate or to prevent a reasonable classification of service by public utilities for the purpose of establishing rates. The inhibition hereof against locality discrimination shall embrace any scheme of special rebates, collateral contracts, or any device of any nature whereby such discrimination is in substance or fact effected in violation of the spirit and intent of this act.

Mr. President, that is a statute against unjust discrimination, and the unjust discrimination is described in the statute. If you will write a definition one-tenth part as definite as that of unfair competition and put it into this statute, I shall cease complaining. But this statute of California gives a complete definition, not of unfair competition, but of discrimination. The two terms, I pause to remark at this point, are utterly different in their meaning, and the statute with reference to one throws not the least whit of light upon the other.

Competition—

Now note.

Mr. POMERENE. What is the dictionary?

Mr. REED. One I found on the desk—the Standard Dictionary.

Competition: The act or proceeding of striving for something that is sought by another at the same time; a contention of two or more for the same object or for superiority; rivalry, as between aspirants for honors or for advantage in business.

Competition embraces rivalry. Competition embraces a battle between two people, each of them striving for the same thing.

Let us see what "discrimination" means.

I read the fourth definition, which is the only one here employed, because it covers the only sense pertinent to this discussion:

The state or condition of being discriminated or distinguished; distinction; sometimes unjust distinction

The word "discriminate" carries a better definition. It is to preserve a difference, to draw a distinction. Here is perhaps the best definition of the term:

To make a distinction; deal unequally; as railroad companies sometimes discriminate between different shippers in rates.

Now, we have the two terms; one of them competition, which implies a rivalry between two individuals for the same thing, but discrimination is a term covering an entirely different thing. Discrimination covers the case of a man who refuses to trade with another or deal with another upon the same terms he is dealing with a third party. He discriminates against him or he discriminates in his favor. So any definition of the term "unfair discrimination" is utterly without value if you want to ascertain the meaning of the term "unfair competition," "competition" and "discrimination" being diametrically different. Indeed, the terms are almost opposites.

But now note, as we go along in search of a definition of unfair competition, that while the California statute covers a discrimination in the prices between different communities it also covers rebates and, in addition, certain discriminatory contracts.

I come now to the laws of Utah, which the Senator classified under the head of "unfair-competition statutes." I find that, in the book as it is printed, the man who compiled it entitled the chapter "Unfair competition and discrimination." I find that the title of the act is "An act to define and prohibit unfair competition and discrimination." When I come to read the act, I find that it reads:

Any person, firm, or corporation, foreign or domestic, doing business in the State of Utah and engaged in the production, manufacture, or distribution of any commodity in general use that intentionally, for the purpose of destroying the competition of any regular established dealer in such commodity, or to prevent the competition of any person who in good faith intends and attempts to become such dealer, shall discriminate between different sections, communities, or cities of this State by selling such commodity at a lower rate in one section, community, or city, or any portion thereof, than such person, firm, or corporation, foreign or domestic, charges for such commodity in another section, community, or city, after equalizing the distance from the point of production, manufacture, or distribution and freight rates therefrom, shall be deemed—

Shall be deemed what? Shall be deemed guilty of unfair competition? No—

shall be deemed guilty of unfair discrimination.

How are you going to get a definition of unfair competition out of that statute, which deals with unfair discrimination and does not deal with unfair competition, which is chiefly aimed at monopolistic practices and does not concern itself with the case of two men going out, each trying to get the business of the public and each competing against the other? Yet it has been cited here to show that it did cover unfair competition—that that is what it means.

Note, now, that we have the California statute prohibiting certain practices and the Utah statute covering certain other practices. Thus you already have two different statutory rules. The California statute covers the question of underselling by everybody, including the product or service of any public utility. It also embraces rebates and special contracts, while the Utah statute does not embrace all of the things that the California statute covers. Thus you have two very different definitions or rules.

The Wyoming statute was cited as prohibiting unfair competition, and yet I find this is the way it reads:

That any person, firm, or corporation, foreign or domestic, doing business in the State of Wyoming and engaged in the production, manufacture, or distribution of any commodity in general use, that shall, intentionally, for the purpose of destroying competition—

It is a restraint of trade act; that is all—

discriminate between different sections, communities, or cities of this State, by selling such commodity at a lower rate in one section, community, or city, or any portion thereof, than is charged for such commodity in another section, community, or city, after equalizing the distance from the point of production, manufacture, or distribution, and freight rates therefrom, shall be deemed—

Shall be deemed to be of unfair competition? Not at all—

shall be deemed guilty of unfair discrimination.

Again you have a statute different in its scope and meaning from either of the statutes I have just read. Assume for a moment that it is an "unfair-competition" statute; you will have three rules laid down instead of one, and you are three times worse off than you were before you looked at any statute.

The Louisiana statute is cited as defining "unfair competition." Here is the title:

An act to prohibit unfair commercial discrimination between different sections, communities, cities, or localities in the State of Louisiana or unfair competition therein, and providing penalties therefor.

When you come to read the text you find this language:

That any person, firm, company, association, or corporation, foreign or domestic, doing business in the State of Louisiana and engaged in the production, manufacture, or distribution of any commodity in general use, that shall, intentionally for the purpose of injuring or destroying the business of a competitor in any locality, discriminating between different sections, communities, cities, or localities in the State of Louisiana, by selling such commodity at a lower rate in one section, community, city, or locality, than is charged for such com-

modity by said person, firm, company, association, or corporation in another section, community, city, or locality, after making due allowance for the difference, if any, in the grade or quality of such commodity and in the actual cost of transportation of same from the point of production, if a raw product, or from the point of manufacture, if a manufactured product, shall be guilty of unfair discrimination—

Not unfair competition—

which is hereby prohibited and declared unlawful and to be a misdemeanor; and that all sales so made shall be taken and considered as prima facie evidence of unfair discrimination.

The statute is aimed at the destructive tactics of monopoly. It reaches monopoly and restraint of trade.

I ask the author of this bill, or the sponsor for it—for I do not believe that the bill originated in the Senate; I think it was written largely by a gentleman outside the Senate—how he gets the definition of unfair competition out of a statute that defines not unfair competition but unfair discrimination? How does he get a definition out of the four statutes that I have read when each differs from the other?

However, they have a sort of common purpose thus far, and that is to prohibit local price cutting. If they are to operate as guides as to the meaning of unfair competition, then they restrict that meaning; they narrow that meaning; they limit that meaning, so that the bill can not possibly cover the things the Senator desires to have it cover.

Let me call attention to the New Jersey statute. It was cited. Of course, we must assume if a statute can be found that defines unfair competition broadly—if one could be found—our friends will claim that was a great authority and will instantly pin their faith to that particular statute, because it happens to suit their purpose. Unfortunately for these statutory constructionists, here comes New Jersey, the home of the President, the virgin spot from which now springs all the virtues. Here is located the fountain spring of reform. Here the Senator from Nevada ought to come morning and night and drink. He should bathe in its pure waters. To the recent statutes of New Jersey all should turn. I commend them to the Senator from Illinois [Mr. LEWIS], who thought that this term probably had somewhere been defined. I have read you a Wyoming, a Utah, and a California definition, all of them generally aiming at discrimination in prices between communities or local price cutting, but when I come to New Jersey, the perennial source of light, I find that April 1, 1913, the general assembly of that State passed an act to prevent "unfair competition and unfair trade practices." Notice the language comes nearer to the term we are discussing than you can find in any other statute. It very nearly is the employment of your term. What is the statute?

1. It shall be unlawful for any merchant, firm, or corporation, for the purpose of attracting trade for other goods, to appropriate for his or their own ends a name, brand, trade-mark, reputation, or good will of any maker in whose product said merchant, firm or corporation deals, or to discriminate against the same, by depreciating the value of such products in the public mind, or by misrepresentation as to value or quality, or by price inducement, or by unfair discrimination between buyers, or in any other manner whatsoever, except in cases where said goods do not carry any notice prohibiting such practice, and excepting in case of a receiver's sale, or a sale by a concern going out of business.

2. Any person, firm, or corporation violating this act shall be liable at the suit of the maker of such branded or trade-marked goods, or any other injured person, to an injunction against such practices, and shall be liable in such suit for all damages directly or indirectly caused to the maker by such practices, which said damages may be increased threefold, in the discretion of the court.

Why, that statute gives practically the old common-law definition of "unfair competition." The legislature only reenacted the common law and added a clause including trade slanders.

I pause at this time to call attention to the fact that by seeking in the statutes for the meaning of the term we have already five different definitions, and that the statute that comes nearest using the terms in this bill takes us back to nearly the old common-law definition. But nowhere do we find the nebulous definition that covers everything and touches nothing which it is proposed shall be the guide for the courts when they come to decide what is meant by unfair competition.

Nebraska. I am not going to take time to read the Nebraska act. It relates to local price cutting and it does not prohibit unfair competition. You can find the term in the title, but you can not find the term in the act.

The title is "An act to prohibit unfair commercial discrimination between different sections, communities, or localities, or unfair competition, and providing penalties therefor." When you come to the body of the act, and I shall print it with the permission of the Senate as a part of my remarks, after prohibiting local price cutting, the statute reads "shall be deemed guilty of unfair discrimination," not "unfair competition."

The matter referred to by Senator REED is as follows:

An act entitled "An act to prohibit unfair commercial discrimination between different sections, communities, or localities, or unfair competition, and providing penalties therefor."

Be it enacted by the Legislature of the State of Nebraska: SECTION 1. (Local unfair discriminations.) Any person, firm, company, association, or corporation, foreign or domestic, doing business in the State of Nebraska and engaged in the production, manufacture, or distribution of any commodity in general use, that shall intentionally, for the purpose of destroying the business of a competitor in any locality, discriminate between different sections, communities, or cities of this State by selling such commodity at a lower rate in one section, community, or city than is charged for said commodity by said party in another section, community, or city, after making due allowance for the difference, if any, in the grade or quality and in the actual cost of transportation from the point of production, if a raw product, or from the point of manufacture, if a manufactured product, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared unlawful.

Mr. REED. Now, you have six or seven different definitions of unfair competition by as many statutes. I am for the present treating the terms "unfair discrimination" and "unfair competition" as synonymous, which they are not. They can not be used interchangeably, for the reasons I gave when I read the definitions from the dictionary.

Here is another definition in the Minnesota law. We were told by the Senator from New Hampshire that in Minnesota's laws there was a definition of unfair competition, and that because it had been employed in the Minnesota statute it had acquired a new meaning. What is the Minnesota statute?

Any person, firm, company, association, or corporation, foreign or domestic, doing business in the State of Minnesota and engaged in the production, manufacture, or distribution of petroleum or any of its products that shall intentionally or otherwise, for the purpose of destroying the business of a competitor or creating a monopoly in any locality, discriminate between different sections, communities, or cities of this State, by selling such commodity at a lower rate in one section, community, or city than is charged for such commodity by said party in another section, community, or city, after making due allowance for the difference, if any, in the test or quality and in the actual cost of transportation from the point of production if a raw product, or from the point of manufacture if a manufactured product, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared to be unlawful.

If you have unfair competition in the title, you have nothing but unfair discrimination in the act; and if you had unfair competition in the act itself, you are in this unfortunate condition that it would define unfair competition as simply being local price cutting by the Standard Oil on kerosene. The statute probably does not even cover gasoline. The definition of unfair competition is by this statute confined to Standard Oil. I say you have a definition of unfair competition; I should say, "unfair discrimination." The law is simply leveled at one practice of one concern.

Now, you have seven different statutory rules, not of unfair competition, but unfair discrimination, and out of that you are to get the meaning of the term "unfair competition." Out of that the people of this country are to get the meaning.

But, Mr. President, as we proceed to the construction of a term in a Federal statute by the light of the various State statutes, each of which has defined some act, and each of which has characterized it in almost every instance as unfair discrimination, we find that when we examine another Minnesota statute we jump suddenly from the nebula into the milky way. Observe the terms of the Minnesota law—

Any person, firm, copartnership, or corporation engaged in the business of buying milk, cream, or butter fat for the purpose of manufacture—

Not for the purpose of feeding it to babes or for general consumption. You notice that it is limited to the man who buys it for the purpose of manufacture—

who shall, with the intention of creating a monopoly or destroying the business of a competitor, discriminate between different sections, localities, etc., shall be deemed guilty of unfair discrimination—

and be fined, and so forth.

We have gotten away from the general doctrine of unfair discrimination by local price cutting as to all things, and we have now arrived at a definition where it is confined to milk and cream or butter fat.

Oh, how a lawyer will look when he comes before a court asserting that he can show that this term has a real meaning by reading the definition of the different statutes. He finds that there is not a statute defining the term "unfair competition" and then finds that when the statutes can define "unfair discrimination" they cover everything in the wide range between a statute of universal application and a statute that is limited to the buying of milk. He finds that some of them apply to all things, some of them to a few things, some of them apply only to petroleum, and some of them limit their remedial provisions to cream and butter fat.

Let us now go to Iowa. I have not the Iowa statutes here, so I can not give the Senator from New Hampshire the title, but I can give him the body of the act literally:

Any person, firm, company, association, or corporation, foreign or domestic, doing business in the State of Iowa and engaged in the business of buying milk, cream, or butter fat for the purpose of manufacture—

Ah, but the Iowa man reached out for something else now; you still have another rule—

or of buying poultry, eggs, or grain for the purpose of sale or storage, that shall, for the purpose of creating a monopoly or destroying the business of a competitor, discriminate, etc., shall be deemed guilty of unfair discrimination—

And if found guilty of unfair discrimination he shall be punished, and so forth.

Why, you could not even get a rule out of the two statutes last quoted covering a milk case, because they differ even as to milk. If a man came before this board charged with unfair competition in eggs, you would have to try him under the Iowa statute. You would be compelled to disregard the Minnesota statute, because it forgot all about the hens. I believe Iowa is the only State that has cast the protecting ægis of its statute over the common barnyard hen.

Mr. KENYON. Mr. President——

Mr. REED. Of course, if you were trying a milk case you might try it either under the Iowa statute or you might try it under the Minnesota statute, but the hen can find a venue for her wrongs only in Iowa. I yield to the Senator from Iowa.

Mr. KENYON. I simply wanted to suggest that it was a very good provision to protect the Iowa hen, because the products of the Iowa hen amount per year to more than the entire gold output of Alaska.

Mr. REED. Mr. President, there is no product from the State of Iowa, including its Senators, that is not worthy of all protection and all honor. Incidentally, I remark that I have no doubt but that at least one of them just at this particular moment would be glad to have a statute passed preventing unfair competition at the polls. I think there would be a great deal more sense in employing the term in that way, and we could come nearer telling what it means than as it is employed in this proposed statute.

All these statutes were cited by the Senator from New Hampshire [Mr. HOLLIS] as furnishing a guide and rule by which we could determine just what the term "unfair competition" means, whereas, as you will observe, its meaning, by statute, is purely a question of geography. If you go to Minnesota and buy up butter and do not pay a proper price, you are guilty of unfair discrimination; but you can buy all the eggs that you want to and not be guilty of any crime. If, however, you wander over into the State of Iowa, the moment you cross the line and there buy eggs under certain conditions you are guilty of unfair discrimination. If you are cornering the petroleum market, and you are in the State of Minnesota, you are a criminal; elsewhere you are a captain of finance. In the State of Minnesota and nowhere else have they passed a statute bearing directly upon our friend, Mr. Rockefeller.

Mr. President, I have gone through these statutes—perhaps there are one or two more, but if they are read they will be found to be of like kind with those I have read—and I have no difficulty in enforcing, I think, the opinion upon every candid man who is here that if, in searching for the meaning of the term "unfair competition," we are to go to the statutes of these various States we would find that the further we travel the more we will be involved in a labyrinth of doubt. The more statutes we find and the less rule we have; aye, we have as many rules as we have statutes.

Besides all these difficulties, unfortunately for the advocates of statutory definitions, the statutes do not define "unfair competition" at all; on the contrary, when you come to read them, they define "unfair discrimination" and "unfair trade practices."

Imagine a lawyer called upon to advise a client as to whether a certain thing he intended to do could be done without violating the law; imagine this lawyer seeking for the meaning of the term "unfair competition"; imagine him getting down the law dictionaries and finding there that the law is defined in the restricted sense I have shown, so that it applies merely to the substitution of goods. He goes then to the laws of New Jersey, and he finds that New Jersey in 1913 by statute gave practically the same definition. He proceeds to the statutes of other States, and now he finds that a thing is legal in one State and is illegal in another; that a thing is denounced in one State and not denounced in another. He reads through all statutes and finds that the term "unfair competition" is nowhere defined, but that "unfair discrimination" is defined. After he has done all that he undertakes, in the light thus shed upon his intellect, to advise his client as to the meaning of the term "unfair competition." If he be a lawyer worthy of the name, I think he will say, "The definition of 'unfair competition' in the law dictionary is the one we can most safely follow. If we can not follow that, then all we can do is to say to this commission, 'Lead, kindly light'; you make the rules; you tell us what to do; that which you say is right we will obey."

That, Mr. President, is not obedience to law. That is obedience to masters. That is not government by law. That is government by the dictation of men. That is the substitution of arbitrary power for legal enactment. That is a power greater, I believe, than even the Kaiser of all the Germans possesses.

Mr. STONE. Will my colleague allow me to interrupt him for a moment?

Mr. REED. Certainly.

Mr. STONE. I am not myself free from the doubt that troubles my colleague with respect to the term used, but I am not at all convinced that he is not too positive. I am inclined to think he is.

The Senator says that if a lawyer should go before a court in a case and undertake to define the term "unfair competition" he could not do so by referring to this statute or to that statute or to this authority or to that authority, for the reason that there is no perfect definition, and perhaps no definition at all within the view of the Senator; but the thing I have in mind is this, and it is to that that I wish to direct the attention of my colleague: Would it be necessary to define the term "unfair competition" if I were trying a case before the court?

Let me give an illustration that occurs to me of a merchant or a manufacturer at a given point in a State undertaking to run his competitors out of business. He puts on the market an article which he advertises to be and claims to be the equal in every way of that of his competitor, or, to state it still more strongly, to be the exact article sold by his competitor, when, as a matter of fact, it is an inferior article. Suppose he sells that inferior article in the same marts at a price not above the actual cost to him, or even below it, his object being to crush opposition; he may be possessed of vastly greater wealth and resources than his competitors, and may suffer a temporary loss in the way I have described, with a view of eliminating competition; would not that be a clear case of unfair competition, of representing, in the first place, that he is selling exactly the same article as are his competitors when he was not, but was selling an inferior article, and when he was selling the inferior article at below cost, with the apparent purpose of destroying his competitors? I ask again, would not that be a clear case of unfair competition?

If I were prosecuting that case, civilly or criminally, before the court on the ground and allegation that it was unfair competition, would the court ask me to define "unfair competition"? Would it not be sufficient for me to state that the facts of the case define the practice to be unfair competition?

Mr. REED. Mr. President, the Senator has exactly stated a case of unfair competition, as defined by all the books, and if the term is employed to cover the particular practice he names it would be a case of unfair competition, because the very definitions I have read here from the law dictionaries cover to a nicety the illustration the Senator has put; that is to say, A being in business, B comes along and falsely says to the public, "I have exactly the same thing that A is selling you." He deceives the public, and thus he steals the trade and good will of A. Now, if we were to adopt this section with the term "unfair competition" in it, and the courts were to say, as I think they are likely to say, that the term "unfair competition" embraces that particular practice, and no more, then you could go into court and prosecute your man, but you would have to set up in the indictment that he was guilty of unfair competition in this, to wit, and then set out the facts.

In the case suggested I would be obliged to answer yes, because the Senator stated a case squarely within my definition. That is a case within the definition which I insist the books lay down. It is a case of actual unfair competition as defined by the law.

Mr. STONE. Let me state the case a little differently. Suppose he did not represent that the article he was selling was the exact article and was made or manufactured by the same people, but that it was in its general nature the same?

Mr. REED. That it was as good an article?

Mr. STONE. That it was as good in every way and would serve the same purposes, when, as a matter of fact, it was not

of the same general character, but was a deception in itself, and then he undertook by unfair means, such as I have indicated, to run his competitor out of business, would not the facts of the case itself constitute a definition of "unfair competition"? The cases can be multiplied; of course they are not single or exceptional.

Mr. REED. I would have been glad to have answered the Senator's first illustration, because it would have been a very apt illustration. The Senator, however, qualified it by adding that if the competitor "should represent his goods to be substantially the goods of the other, or like the goods of the other." You get too near with that qualification to the definition of "unfair competition" as laid down in the book. But let us take the case as the Senator first stated it the last time he was on his feet, that A is engaged in selling goods—for instance, sugar—in a community, and B enters the market and says to the public, "Why, I have sugar just as good as A's, and I am selling it for half a cent a pound cheaper." Now, B is brought before the commission. The question will arise at once, Has he been guilty of an unfair practice? I say that the first thing the board would be obliged to do would be to determine what is the meaning of the words "unfair practice." They would have to determine that by going to some books, to some authors, to some authorities, and they would naturally go first to the legal definition; and when they did go to the legal definition they would find that unfair competition consisted in the substitution by B of his goods for A's, a deception thereby being worked upon the public. Therefore I would demur, if I represented B, to the charge, upon the ground that he had not represented his goods to be the goods of A, but he had simply gone into the market saying that he had as good goods, puffing his own goods, as every trader has a right to do, and that he could be held under no law.

I am very sure that is just what the courts will say with reference to this statute when we get through with it, and if they do, we will have accomplished nothing, because that can now be prevented both at law and in equity.

I know no man is more sincere upon this question than my distinguished colleague, and a mere indication of a difference of judgment upon his part always makes me pause to ask myself whether I am not mistaken, no matter how firmly my view has been fixed. But I will now take the illustration I have just given: A is in the market selling sugar at 5 cents a pound; B comes into the market with a different kind of sugar, and asserts that it is as good as A's sugar, and he is selling it for half a cent a pound less. Is anybody here prepared to say that is a practice that ought to be stopped? Are you willing to grant the power to this board to say that he can not thus offer his sugar? Why, sir, that would kill competition; that would end the life of trade; that would be death to enterprise; that would deprive the public of the very protection all these laws are framed to give and insure to the public—a chance in the open market to buy goods where there are two or twenty or a hundred men offering the goods for sale. We must not do that; we must not put it in the power of any commission to do that. Let us see where we would come out.

I am appealing to those Senators who pay me the compliment of listening to consider lest we now make great mistakes. Let us assume that this board has the wide power, and that it should say to B, "You can not come into the market and say to the public your goods are as good as A's and thus get his trade away from him; you can not make that statement." What follows? Competition ceases. If you put it in the power of the board to stop that kind of competition, that kind of trade rivalry, you would put it in the power of the board to build up monopolistic profits and to make monopoly dominant in this country. Let me show you how.

Here is the Steel Trust, a powerful concern engaged in the manufacture of structural steel. It is putting it upon the market. Here comes an independent concern also making structural steel. Are you willing to put into the hands of a board the power to say to the independent concern, "You can not go on the market and represent that your goods are better than those of the Steel Trust"? When you do that, you make the Steel Trust all powerful and dominant, and you strike down any possible competition. Is any man in this Chamber willing to give that kind of power to a commission?

Now, unless you define the character of the act which you propose to allow the commission to stop, you will be just exactly where the illustration of my distinguished colleague brings us—you will be at a point where the board can stop competition, throttle competition, whether it makes for monopoly or does not make for monopoly; but if you adopt the definition that I have offered here, you will escape that, because we define it. It embraces—

All those acts, devices, concealments, threats, coercions, deceits, frauds, dishonest practices, false representations, slanders of business, and all other acts or devices done or used—

And here is the qualifying term—

with the intent or calculated to destroy or unreasonably hinder the business of another or prevent another from engaging in business, or to restrain trade or to create a monopoly.

Apply that rule to the very simple illustration we have been using of the sugar merchants. A has been selling sugar; B comes into the market and offers his sugar at a less price, and says to all the world in all his advertisements which he puts in every window and upon every fence post, "My sugar is the best sugar in this market, and is half a cent a pound cheaper than any other." He is now brought before this board. He answers, "This is competition," and he says, "You can not make a case against me unless you can show that in addition to advertising my goods and offering them to the public I have done it with the intent to unreasonably hinder the business of my competitor." When you come to the term "unreasonably hinder" you find that the Supreme Court of the United States has blazed the trail. It has said that competition where one man simply offers his goods in the market against those of another is reasonable competition. It has pointed out clearly what constitutes restraint of trade.

Mr. President, with that definition in the bill you have some guide for the business man and client; you have some guide for the court; you have some guide for the commissioner. In the absence of a definition all these will be asking the question my distinguished colleague asked. If, with his incisive mind and his broad learning and his vast experience, he asked the question, then certainly the grocery keeper, the little merchant, the big merchant, the country lawyer, and the city lawyer with one accord will despairingly exclaim, "What in the name of goodness does come within the term 'unfair competition'?"

Mr. STONE. Mr. President, let me ask the Senator if, as a rule, the terms he uses in his amendment have been defined?

Mr. REED. Practically every one of them.

Mr. STONE. Let me put this question—of course I am asking to get the Senator's views and enlighten my own mind with respect to the subject before us.

Suppose an information should be filed before this commission charging that the party accused was guilty of unfair competition, and proceeding to state the facts constituting the unfair competition. Suppose it should appear from the facts and from the charge that there was a threat in it, that there was slander of business, or any of the terms used there by the Senator; suppose upon the hearing the commission, or afterwards the court, should be convinced that some one or more of the very terms employed were applicable to the case; that the facts showed, in other words, that just those things had been done. Now, would it not answer every purpose, and would not the court or the commission rule upon it from that standpoint, under the broad and unrestricted or undefined term "unfair competition"?

Mr. REED. Why, no, Mr. President; for the simple reason that unless you put that definition of unfair competition into the law it does not embrace these practices. Such, at least, is my contention. I maintain that the term is of limited legal meaning and that if you abandon the legal meaning then it is a term so vague, indefinite, and uncertain that nobody can tell what it means. Of course if in the statute itself you define the term "unfair competition" you escape the difficulties.

We can gain some light by considering the conduct of others. A great many lawyers, presumably good lawyers, have written these various statutes relating to "unfair discrimination" in the different States. Not one of them wrote a statute saying "unfair discrimination is hereby prohibited" and then stopped. If it would not be disrespectful, I would say that if one of them had, he would have been a fit subject for a lunatic asylum; but I can not say that with this bill before us. The lawyers who drew these State statutes proceeded in every instance to define the things that would constitute the unfair discrimination, although "discrimination" has in the law a much more well-defined meaning than the term "competition."

Mr. HITCHCOCK. Mr. President, will the Senator submit to a question?

Mr. REED. Yes.

Mr. HITCHCOCK. I have listened with much interest and a good deal of sympathy to the argument made by the Senator from Missouri, and I want to ask him whether I am correct in drawing this deduction: That "unfair competition," in his opinion, should include every act which tends to destroy competition?

Mr. REED. Yes.

Mr. HITCHCOCK. That it should include every act which is contrary to good business morals?

Mr. REED. Yes.

Mr. HITCHCOCK. Now, then, I want to ask the Senator whether it would not be possible, in place of the definition which he has offered, simply to confine the definition of those two tendencies in language something like this:

The term "unfair competition" as used in this act shall be held to include all devices and acts the chief effect of which is to destroy competition and the nature of which is contrary to business morals.

Mr. REED. That definition would be infinitely better than nothing. That would give us something, but I do not think it applies an accurate rule or proper test—perhaps not at all the real test, and which I think I have embraced in my amendment.

If the Senator will give me the language that he used, so that I may comment on it, I shall be much obliged, because I am glad to hear anybody's suggestions.

The Senator's definition is:

The term "unfair competition" as used in this act shall be held to include all devices and acts the chief effect of which is to destroy competition and the nature of which is contrary to business morals.

There we introduce a doubtful question: "What are business morals?" Why, the business morals of Wall Street are one thing; the business morals of Omaha are another thing; and when you get down in the pure atmosphere and sweet sunlight of Missouri you find that business morals are a very much higher and more ethical thing than they are, at least, on Wall Street. I will not exclude Omaha. What we ought to do—and I am appealing to the Senator from Nebraska, because no man respects his judgment more than I respect it—is to stick to the terms that have been already elucidated by our courts.

What are we trying to do? Let us be fair. We are not trying to write a code of business morals. If we are, we are engaged in the most hopeless task men ever undertook. Our efforts will come to naught. We are trying to keep the doors of competition open in this land. We are trying to keep the highways of opportunity unobstructed. We are trying to keep it so that the feet of the men of to-day may travel along an open path, so that all may have a fair chance to gain a livelihood and to embark in business.

Now, we have found that there have been certain powerful institutions organized. Some of them have arrived at the point of almost absolute monopoly over some prime necessity of life. Some of them have grown so powerful that while they are not complete monopolies they can restrain trade, they can circumscribe the opportunities of others; and whenever one of these institutions has arrived at the point where it is a monopoly the Sherman antitrust law reaches it. Whenever it shall have arrived at a point where you can show that it is clearly restraining trade the Sherman Antitrust Act reaches it. You need not add a line to our statutes in order to suppress monopoly, and in order to suppress the actual restraint of trade, especially where the case is aggravated.

But, Mr. President, there are certain acts, practices, and devices which have been employed by these great concerns which have in the past been regarded as merely legitimate competition, as merely the ordinary methods of competition, but which, when put into practice, inevitably tend toward the destruction of competition, and thus toward the restraint of trade. Now, if we can reach those practices by this act we will have accomplished a great boon for our country.

Let me illustrate: There is no particular harm done if there are 2 rival merchants in a town, or 10 rival merchants, and they advertise their goods, each against the other, and if they occasionally hire each other's clerks. That does not restrain trade. There are so many clerks, there are so many institutions, that as a matter of fact trade is not seriously obstructed; no one is much hurt. Let us assume a case, however, like that of the Harvester Trust—and I speak of that only because its practices well illustrate the practices of other trusts.

It is complained in the Government's petition that one of the means it took for the purpose of destroying its competitors was to send agents into a trade territory and get all the trade away from the agents of their rivals, having in view the employment the next year of the agents of the rivals, thus depriving them at once of their trade and of the instrumentalities of their trade. Now, in a case of that kind, if the evidence showed the destructive purpose, or if the purpose was reasonably inferable from the evidence, a court could and would, under this provision as I have defined it, say, "You can not resort to that practice."

Another practice calculated not to benefit the purchaser, but to destroy competition, is well illustrated in certain practices attributed to the Standard Oil Co. It has been charged that that company goes into a trade territory which is occupied by a rival, drops the price of its products below their actual cost, and thus crushes and destroys the competitor, meantime selling in other communities at a higher price and gaining profits there, and out of those profits gained in other places sustaining itself, while it is selling goods at a loss in the community where their rival is located. When he is crushed it puts up the price. Now, that could be condemned under the provision I have drawn, because it tends to the restraint of business; it kills competition; it limits competition; it destroys competition; and therefore it would be reached under this provision.

Again, I will take the case of the slander of the business of another. In some of the trust cases—I have forgotten which ones; some of my distinguished legal brethren here will remember the cases when I refer to them—it was found that for the purpose of destroying rivals in business some of the great institutions had gone into a community and claimed that they had the sole right to the sale of a certain article and that anybody who purchased that article from others would be sued and harrassed by litigation and mulcted in damages, whereas, in truth and in fact, they had no substantial right upon which to base that claim.

It was merely a method used to destroy a competitor; not an attempt to sell goods, but to destroy a rival. That would be within the terms of my amendment, because it is an act done for the purpose of restraining trade. It is not the lessening of the trade of one man which results from simple competition. The object and purpose is to destroy the trade rival. That can be reached under this definition.

The language, too, which I have adopted, which I really think is too broad, but I have put it here out of consideration to the views of those who want to confer very large powers upon this board—the language "and all other acts or devices done or used with the intent or calculated to destroy or unreasonably hinder the business or to prevent another from engaging in business or restrain trade or to create a monopoly"—is language of the very broadest kind, and yet a business man will have no great difficulty in determining whether what he is about to do is merely a destructive practice calculated to restrain trade by crushing a rival. He need have no difficulty in distinguishing between such a practice and honestly selling his goods in the market against those of another man. You have a rule. There are milestones along the way. People can judge what they may do. But if you were to simply use the term "unfair competition" without any definition, and if it shall be given the broad meaning contended for, then I insist we have no rule and no guide except the judgment and opinion of the five men who constitute the board.

If those five men shall be gifted with infallibility of judgment, if they shall be men whose souls are inspired by the highest character of ethics, they would do no harm. But even then has not the business man in your community the right to have a law that he can reasonably understand? Is he obliged to submit all his transactions to the will even of an infallible board? Are you willing to substitute government by commission for government by law, government by the will of men for government by a law of the land enacted by the people? Is anyone here willing to do that? We may allow our enthusiasm for new doctrines to carry us so far that we shall find the old ship Constitution wrecked upon reefs we ourselves create.

I appeal to Senators, what reason have you to believe that this board may not be composed of ordinary human beings with ordinary frailty of judgment? What reason have you to believe and know they may not at some time be composed of the tools and proprietors of monopolies and combines and trusts? There are many men in this country of pure public and private life who believe that great combinations are necessary to the welfare of the people. There are many who believe that combinations are in the nature of blessings. There are many trust magnates who believe that the practices they have employed are justifiable. Many of them go to churches and make long prayers, perhaps not for pretense. Some of them stand upon the street corners and "make broad their phylacteries and enlarge the borders of their garments and thank God they are not as other men." Many a Pharisee has been a good-faith Pharisee.

Suppose you get a board of that kind. I do not want to arouse party animosity, but suppose our friend Roosevelt had appointed such a board. I think he would have put at the head of it George W. Perkins, a man of great intellect, a man who undoubtedly is a perfectly polished gentleman, but a man who probably believed when he organized the Harvester Trust and

when he engaged in organizing other trusts that he was doing a service to humanity and to God.

Suppose you get a board of that kind, and suppose it decides every case in favor of the great combinations, what protection will you then have in this bill? There is no appeal to the courts from this tribunal by the party who makes the complaint. You have fixed the bill now by the Cummins amendment so that the complaining party or, indeed, any party has no substantial right of appeal.

You can not go into court and standing upon a substantive law say, "although this board, owned and controlled by the corporations, mastered and manned from their cohorts, has decided against all that is fair and all that is right, notwithstanding it has undertaken to sanction a practice which destroys my business, and therefore I now appeal to the court," because you have no substantive law to stand on. You have nothing to appeal from except the discretion of a commission exercised under the authority of a law which puts everything within its discretion.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. I yield.

Mr. McCUMBER. I wish to ask the Senator this question: Is it not his conviction that where there is unfair competition between corporations, which unfair competition may result in the great benefit to the public, nevertheless this competition could be checked under the provisions of the law without any further definition?

Mr. REED. Undoubtedly so.

Mr. McCUMBER. Will the Senator let me give one illustration of that? Here are two manufacturers selling their articles in competition with each other in a certain territory. One of the manufacturers advertises that his goods are produced by the most modern methods, that they are in every respect as good or better than those of his competitor, and that he will sell them 25 per cent cheaper than his competitor. We will assume that that public statement is false and untrue, that it is absolutely unfair, but the result has been that the competitor in that field has reduced the price of his product to meet the competition, and the public are getting his goods 25 per cent cheaper than they did before. Under that condition can not the man or corporation who has been compelled to reduce the price of his product by reason of that competition go before this commission and insist that his competitor's goods are not as good as his and that the competition is unfair, and ask an injunction against the continuance of that claim for the goods of the competitor?

Mr. REED. Certainly. That could be done if the bill is susceptible of the construction placed upon it by the chairman of the committee. This board is a board of practically unlimited power.

Mr. McCUMBER. Yes; but further than that, Mr. President, as the bill now stands, after the defeat of the amendment of the Senator from Minnesota, any person feeling himself aggrieved may go into court and ask for damages without going before the board at all, on the ground that his competitor has been guilty of unjust competition. It seems to me that for that reason, if for no other reason, we ought to have something in the bill that would define competition to mean something which is ultimately going to destroy a competitor.

Mr. REED. Mr. President, the Senator has stated a very strong case, a case in which bad morals were involved, in which falsehood was involved, and yet the effect was to promote competition, and hence promote the general welfare. Where will the business world be if we stop with this term without any definition?

Here are two rival dry goods houses. Pick up any paper and read their advertisements: "Unprecedentedly low prices; we are offering the public on next Tuesday goods cheaper than any of our competitors; cheaper than they were ever offered in this market." Would you give your trade commission power to stop mere trade competitions? Why can not the gentleman across the way come before the commission under this bill and say, "Now, that man is getting trade that might come to me; he is getting it by an advertisement, and I challenge the correctness of that advertisement"? Why can he not then hale his rival before the commission and ask it to cancel his advertisements? Into what kind of a chaotic condition will business be put? It will be put into a strait-jacket, and that strait-jacket will not be the same one day and the next, but it will simply depend for its shape and for the torture it may produce upon the opinions of these gentlemen from day to day.

You can not escape the proposition that you are granting arbitrary power. Does it not seem to Senators that we ought to say what we mean here, that we ought to lay down some general rule, when there is not a single man advocating this bill who will define "unfair competition" in the way any other man on the same side of the question defines it? Are we willing to confer upon a board of men a power which we so little understand that as the Senator from Ohio puts it the term is one of very limited and restricted meaning; as the Senator from Nevada puts it the term is so broad and universal that it will cover everything which is unfair?

The truth is there are a lot of people in this world who, seeing wrongs and hating them, seeing evils and wishing their eradication, seeing wickedness and believing that it ought not to exist, are willing to adopt any sort of specific that is brought forward. The more ignorant a man is the less he knows about the Constitution, the less he knows about the history of his country, the less he knows about the principles of law, the less he thinks of the Constitution, the less he thinks of the principles of law, the more ready he is to provide a universal specific. We have them writing for magazines. We have them writing speeches. We have them seeking to advise the Senate on every hand. They are men of the best intentions, yet men who may not have enough good judgment to run a truck farm and to market their own goods; yet we find an inclination to follow them, to quote them, and to read from them.

Mr. President, the Senator who is the author of this bill challenged me to write a definition. I have written one.

Nobody has yet seen fit to point out what evil practice it does not cover, and yet it lays down a rule the soul of which is found in the fact that the act complained of shall be an act the tendency of which is to restrain trade or create monopoly. That old path has been blazed by the courts and we know we can follow it. If you adopt this proposition I believe this law will be effective. You are conferring a greater power than I would confer upon a board even then, but I am willing to yield to the judgment of my associates and to try the experiment of giving a board a very broad power, but if you do not adopt some rule, and if the legal definition is not to be followed, then you have conferred upon the board the right to act within its discretion.

Now, what is the field of its discretion? There was a very able argument made here by the Senator from Arkansas [Mr. CLARKE] a few days ago in which he dwelt upon the fact that the Interstate Commerce Commission, proceeding under the term "unreasonable rate," had found a means of answering the great transportation questions in that term.

But what was the scope of the Interstate Commerce Commission's authority? It was to fix a reasonable rate. It did not have authority to wander at large in all the realms of business; it was to fix a reasonable rate. When it undertook to answer that question it did not proceed in a realm of speculation. It did not enter a country that had never been explored. On the contrary, it entered upon duties which had been clearly defined, and it proceeded in accordance with principles that were hundreds of years old. There was nothing new in it all.

Let us see. From the very first the highways have been under the control of government. They were built primarily by the government. There came a time in the history of the world when private corporations were permitted to build toll roads and to exact tolls, and away back there in the twilight of that development it was clearly written down that the proprietor of the toll road was, in effect, a mere agent of the public; that he had the right to collect certain tolls, so that he might have a fair return from his investment, but that beyond that the government was practically as supreme over the toll road as it was over any other highway.

So the question of what was a reasonable charge was then fixed; the rule was then determined.

When we built railroads in this country they were but an extension of the old practice. Every one of them is a public highway; it can not exist, it could not be built, except the power of eminent domain is exercised in its behalf. It is a public highway and a common carrier both at once. The question, "What is a reasonable charge?" was not difficult to determine. The old rule that had been applied to the turnpike, the old rule that had been applied to certain other public utilities, was lying there before the court. That rule was that the return should be sufficient to pay a fair interest upon the investment and the upkeep of the enterprise and return the original capital within a reasonable time, the latter being a qualification that did not universally apply, but did sometimes apply, according to the particular grant of authority which had been extended.

So when the Interstate Commerce Commission came to construe the term "reasonable rate" they did not wander in the wilderness of doubt and uncertainty; they were not in nebulæ;

they had their feet upon the earth; they had the law books for a guide and the definitions before them. Following that rule, they had nothing to do except ascertain the investment, the fixed charges, the upkeep; and, having determined that, to figure what rates should be charged in order to pay a fair return. That was a limited field of activity. Its boundaries had been blazed for centuries by the axe of learning held in the hands of great judges.

But when you come to this board, what are its powers? It is not limited to the question of fixing a fair profit; it is not limited to the question of fixing rates upon railroads; it reaches into every line of human activity, provided it has any relation to interstate commerce. Before we are through with it, it will touch the small grocery keeper in your home town, for he is engaged in interstate commerce when he buys goods across the State line; it will touch the farmer upon his ranch who is engaged in raising steers in the State of Texas and shipping them into Oklahoma or to Kansas City or to Chicago; it will reach the cotton planter who raises his crop and who has the temerity to sell it in the markets of another State; it will reach the grower of wheat if he does not sell to a local dealer, but sees fit to put his wheat into cars and ship it to market in another State; it will reach the man——

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Alabama?

Mr. REED. I do.

Mr. WHITE. If that will be the result, is it not a fact that the interstate-commerce clause of the Constitution covers all kinds of commerce?

Mr. REED. Exactly; if we enact this statute we will have given to the interstate-commerce clause of the Constitution a statutory construction which, if it stands, will almost wipe out State lines and take away two-thirds of the present authority of the States.

Mr. WHITE. Does the Senator believe that any such construction would be given?

Mr. REED. I will say to the Senator—I know the Senator does not mean to question that what I am saying I am saying in good faith——

Mr. WHITE. Certainly not.

Mr. REED. I say to the Senator that I have seriously questioned in my mind the power of Congress to give the jurisdiction over an institution that happens to be engaged in interstate commerce which this bill conveys, but the consensus of opinion here has been—and it has been resistless—that we are to proceed with this legislation; and I say that, as I construe it, it embraces everything I have mentioned, and, in my opinion, it will be found to embrace everything, unless, indeed, some court says we have trenched upon a very fundamental of the Constitution and therefore halt us at the threshold of our adventure.

But what then can happen to these men? They may be dragged from the most distant parts of this country before this board; they can be called here from Montana and Arizona and the distant States of the golden coast, from every part of this country, to answer before this commission. When they have come before the commission, they are denied practically the right of appeal to a court.

The Senator from Ohio [Mr. POMERENE] offered an amendment giving an appeal, but the Senator from Iowa [Mr. CUMMINS], persisting, as he had a right to do, in his battle for the supremacy of a commission, succeeded in having his amendment adopted. There is no appeal left to the court except you make your record here before the commission, and then, having made it, you go into court with all of the presumptions against you. You can not, then, prevail unless you can plant your feet upon some clause of the Constitution which shows you have been deprived of your rights. You must show that the commission has so violated its discretion as to have trampled on the Constitution

Ah, this is a dangerous power you are granting. Those who propose this bill know it is dangerous, else why have they provided that the decisions of this tribunal can not be laid down in a court as prima facie evidence of a fact found by them in cases where third parties are concerned? We had no difficulty in considering the Clayton bill, which is yet to come before the Senate for formal action, in drawing a clause which will permit a decision in favor of the Government of the United States against any combination to be employed by private parties having a similar complaint against the same concern; but here you write across the face of this bill the words "We fear it ourselves," when you add this clause:

Provided, That no order or finding of the court or commission in the enforcement of this section shall be admissible as evidence in any suit, civil or criminal, brought under the antitrust acts.

Why? Because you have granted so unlimited a power, so broad a power, so dangerous a power that you are afraid to allow the decree of this tribunal or the finding of this tribunal to be used as even prima facie evidence in any court of justice. You fear your own Frankenstein; you prepare a cage for him before you create him.

I appeal once more to Senators upon the rather low ground—and yet is one that is very practical—do you want to enact a law here so vague and indefinite that you can not understand it, That you can not, and you, and you, and you? Do you want to pass a law of that vague nature, giving no guide to the people of your own States that they can follow, and then compel them, upon the complaint of any person whatsoever to come here to Washington to find out for the first time whether that which they have been doing is legal or illegal?

It is true if you write a perfectly plain law, if you set up reasonable guides for the people to follow, that there may be no great hardship in compelling a man who violates such a law to come to Washington, although I think that a very doubtful proposition; I think it would be better to give him his day in court in his own State; but you set up no law, no rule, no guide, and then say to the people who live upon the shores of the Pacific Ocean, You shall come here whenever complaint is made; you shall come here to answer for practices, although you have no means of knowing whether they are either right or wrong; you shall come here from Arizona, the same as you would come from the District of Columbia itself, and you shall, for the first time, ascertain, not from Congress, not from the law-making body, what is right and what is wrong, but you shall ascertain that fact by asking five men whether you can or can not do a certain thing.

The pride of the Anglo-Saxon race has been that they were governed not by men but by law. That old principle is so thoroughly ingrained, not only in the American citizen but in his ancestry, that it is related that a subject of the great Frederick William, father of Frederick the Great, desired a piece of land belonging to an humble cottager that adjoined the imperial domain. The old German did not want to part with it. They tried every means to persuade him to do so, and finally the Emperor himself said to this old German peasant, "What will you do if I take it?" And the old German turned and looked him in the eye and said, "Your Majesty can not take it while there is law in Prussia." He lived under an almost absolute monarch, and yet he had a law he could appeal to—not the will of a sovereign, not the will of a commission, but a law of the land which protected him in his property—and that law was greater than the will of the imperial monarch of the state.

This is a government of law, not a government of men. Whenever you vest in a board the discretion to control my conduct you take away from me the discretion to control my own conduct. Whenever you vest in a board the power to say what my rights are you take away my rights under the laws, sir. Whenever you give five men the right to condemn a practice of mine, not because there is a written law that condemns it, but because in their own minds they think it is wrong, you have substituted their minds for the law of the land; you have substituted their will for my rights as an American citizen.

Who is there here willing to do that? We do not need to do it. We can establish this commission; we can give it powers broad enough to reach every wrong that has been denounced upon this floor without giving license to do as it pleases, without giving it the power to trample upon our rights, without giving it the power to make its will the supreme law of this land. We can do this under the Constitution. There is no wrong in this land that can not be reached under the Constitution of the United States; there is no wrong in this land so subtle, so powerful, so insidious that we can not reach it by law. We do not need to substitute the will of men for law.

Talk about conferring this power upon a commission. Sir, if arbitrary power is to be conferred, I would rather confer it upon the courts than upon a commission.

Who shall compose this commission? As I have already stated, they may be men in sympathy with every kind of trust and combination. Who will guarantee a different commission? I should be willing to guarantee it for the immediate present, because I have confidence that the President will not impose such men upon us. I say that although I have recently differed from him in regard to one appointment; but who, looking down the years, shall say that the power that has heretofore been able to step into the President's office and arrest the very arm of justice itself, will not be great enough to name this commission. Remember that it is not elected by the people; it is responsible to no one; it is answerable neither to the law of the land nor to a constituency.

Oh, but somebody says, "Some professor somewhere discussed 'unfair competition'"; and we had read here an article from some professor. Prof. William S. Stevens recently wrote an article on unfair competition. He was mentioned as "a Columbia professor," and as an authority so eminent that his writings on this subject should determine the language which should be incorporated in the bill; yet I do not even find his name on the catalogue of the regular faculty of Columbia University. He did appear as a summer-school instructor and extension teacher, unconnected with the regular faculty. I am not saying one word against the gentleman, but he was put forward here as an unanswerable authority, and yet he had this to say in a recent article:

"Unfair competition" is a term difficult either to define or explain. To different individuals it connotes different things.

A fine thing to put into a law; is it not? According to the definition or description of this man, who has been quoted as an eminent authority, we are to put into a law something that means different things to different minds.

The lawyer's view of unfair competition, for example, is based upon the statutes and the decisions of the courts—

I thought so until I heard some of my lawyer friends talk here in this body—

that of the economic consequences and results.

There you are. Which school of thought is going to be followed? Then, when you get among the economists, which school of economists are you going to follow?

I continue to read:

To the lawyer, a method which is legal is not unfair. To the economist, on the other hand, legality per se is no criterion of fairness. The opinions of the lawyer and of the economist are therefore likely to be at variance in the case of more than one method. This divergence of views will appear more clearly in the course of this article, which is written from the standpoint of the economist.

And you want to use a term so vague that this gentleman says it means one thing to the lawyer and another thing to the economist, and you all know you would not dare venture a guess as to what it means.

Mr. President, I have taken the time of the Senate, not because I am stubbornly clinging to an idea, but because there is not a man in this body who more than myself desires to destroy those great influences and combinations that are striking free competition in this country. Therefore, I want to write a law that has teeth in it; and the first thing you must do if you are to have a law that is to be effective is to write the law so that when it is read it has a meaning, and that meaning is one which tribunals will enforce.

I am not willing to take the chance of allowing this time to pass, this opportunity to go by, when we can enact a statute which will arrest to a large extent these evil practices. I am sorry so many of my associates take a different view. I offer this amendment, and I ask the Senate to give it a real consideration. I ask you all if it is not better to employ a definition that will form a guide than to proceed without definition and without guide upon an unknown road leading into an unexplored country?

Mr. HOLLIS obtained the floor.

Mr. CLARKE of Arkansas. Mr. President, may I ask the Senator from New Hampshire to yield while I propose an amendment to the amendment offered by the Senator from Missouri?

Mr. HOLLIS. Certainly; I yield.

Mr. CLARKE of Arkansas. I send the amendment to the desk and ask that it may be read.

The VICE PRESIDENT. The Secretary will state the amendment to the amendment.

The SECRETARY. It is proposed to amend the proposed amendment by adding, after the word "devices," on line 4, a comma and the words "whether of like nature with those herein enumerated or not."

Mr. CLARKE of Arkansas. Mr. President, when the amendment comes under consideration I may ask to say a few words about it.

Mr. HOLLIS. Mr. President, the speech of the Senator from Missouri presents many questions which are inviting to discussion, and, so far as he refers to a speech made by me some time ago, I should be delighted to renew the argument. The hour is late, however, a vote is desired, and the Senate is not interested in any personal controversy between the junior Senator from Missouri and the junior Senator from New Hampshire. I have no doubt every Senator has made up his mind how he will vote. I am therefore willing, somewhat reluctantly, to leave my part of the debate on the record as it now stands.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arkansas to the amendment proposed by the Senator from Missouri.

Mr. CLARKE of Arkansas. Mr. President, the amendment offered by the Senator from Missouri simply amplifies what is meant by the phrase that it is intended to elucidate. Those of us who think the phrase "unfair competition" is adequate understand that it will be for the commission, subject to review by the courts, to fill in, under the rule of reason, such things as they may find to be unfair competition. Under our contention, therefore, there is no objection to attempting a further definition or an amplification of that particular definition.

Everything that the Senator from Missouri recites in his amendment is conceded by those of us who think that the term is sufficient, and there can be no objection on our part to making a partial enumeration of the things that are included in it.

His amendment is subject, however, I will not say to the criticism but to the objection that after the commission have exhausted the list of instances that are said to constitute unfair competition they are held down by the terms of this amendment, under the general phrase "all other acts or devices done or used with the intent or calculated to destroy or unreasonably hinder the business of another," and so forth, to a rule of law known as *ejusdem generis;* that is to say, the devices that might be considered under that general phrase would be of like nature with those actually mentioned. I would avoid that by adding:

Whether of like nature with those herein enumerated or not.

That excludes the idea that the court or commission, in construing the meaning of the phrases indicated, would be confined to those of like nature.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. CLARKE of Arkansas. I do.

Mr. REED. May I ask the Senator from Arkansas to give the exact wording of the amendment?

Mr. CLARKE of Arkansas. Just after the word "devices," on line 4, add: "whether of like nature with those herein enumerated or not."

There is a rule of law, as I say, known as the doctrine of *ejusdem generis;* that is to say, that where an enumeration of instances is made, and the general phrase is added, "and all other acts or devices," in construing those general words the court will be confined to instances of like nature.

Mr. REED. Mr. President, I thought this language out, and thought I had escaped the rule just appealed to by the Senator; but I have such great respect for the opinion of the Senator as a lawyer that if he entertains doubt as to the matter I am willing to resolve that doubt by putting in the language the Senator offers. I accept the amendment.

Mr. CLARKE of Arkansas. Then, Mr. President, with that concession by the Senator I am going to vote for the amendment, because it is entirely in line with what all of us have been insisting on. It is just as exhaustive as the general term. The adoption of the amendment would be useful to this extent: It would conclusively exclude the contention that the use of the words "unfair competition" was intended by Congress to be limited to what is known as the passing-off process of substituting the goods of one dealer for those of another.

I think there is no objection to the amendment, and I think it serves a useful purpose; and so far as I am concerned, as a friend of the bill, I am going to vote for it.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Missouri, as modified.

Mr. WALSH. I should like to hear the amendment read as it now stands.

The VICE PRESIDENT. The Secretary will read the amendment as modified.

The SECRETARY. As now proposed, it reads as follows:

SEC. 6. The term "unfair competition," as used in section 5, is hereby defined to embrace all those acts, devices, concealments, threats, coercions, deceits, frauds, dishonest practices, false representations, slanders of business, and all other acts or devices, whether of like nature with those herein enumerated or not, done or used with the intent or calculated to destroy or unreasonably hinder the business of another or prevent another from engaging in business, or to restrain trade or to create a monopoly.

Mr. NEWLANDS. Mr. President, the suggestion has been made by some of the Senators on the other side that we should agree upon a time for a vote upon the entire bill.

Mr. REED. Let us vote on this question now.

Mr. NEWLANDS. There will have to be some time taken for consideration of this amendment. When the committee last met, the committee determined to stand by the words as used in the bill—"unfair competition"—and I am not prepared at this moment to state what the opinion would be regarding the suggestion of the Senator from Arkansas.

A suggestion has been made upon the other side for a unanimous-consent agreement regarding a vote. It is as follows:

It is agreed by unanimous consent that at not later than 11 o'clock a. m. on the calendar day of Wednesday, August 5, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill H. R. 15613, through the regular parliamentary stages to its final disposition, and that no Senator shall speak more than once or longer than 10 minutes upon the bill or more than once or longer than 10 minutes upon any amendment offered thereto.

Mr. CUMMINS. Mr. President, I wish the Secretary would read the proposed amendment, so that we may all hear it and understand it.

Mr. LIPPITT. Mr. President, before that is done, I should like to say that the suggestion that was made, so far as this side was concerned, was not that the hour should be 11 o'clock, as I understand, but that it should be 2 o'clock.

Mr. NEWLANDS. No; the suggestion as made to me was 11 o'clock. It is true the Senator from Rhode Island suggested 2 o'clock.

Mr. GALLINGER. Mr. President, the Senator from Rhode Island correctly states the position that some of us hold, that it ought to be 2 o'clock instead of 11 o'clock; and I think if the Senator will make it 2 o'clock there will be no objection on the part of anybody.

Mr. NEWLANDS. All right; let it be changed to read "2 o'clock."

The VICE PRESIDENT. The Secretary will read the proposed agreement.

The Secretary read as follows:

It is agreed by unanimous consent that at not latter than 2 o'clock p. m. on the calendar day of Wednesday, August 5, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill H. R. 15613 through the regular parliamentary stages to its final disposition, and that no Senator shall speak more than once or longer than 10 minutes upon the bill, or more than once or longer than 10 minutes upon any amendment offered thereto.

Mr. NEWLANDS. Mr. President, I am requested to inquire whether the other side will agree that the final vote shall be taken not later than 6 o'clock to-morrow?

Mr GALLINGER. So far as I know, there is no objection. There may be objection on the part of some of my colleagues; but we are quite anxious to have this bill disposed of.

Mr. SUTHERLAND. Mr. President, I am quite willing that the vote shall be taken at that time. I rose simply to suggest to the Senator that we can not adopt this unanimous-consent agreement without calling the roll and ascertaining that a quorum is present.

Mr. NEWLANDS. I have no doubt that a quorum is present.

The VICE PRESIDENT. The Chair is about to order a call of the roll for that purpose.

Mr. NEWLANDS. If there is any objection to that agreement upon this side, I should like to hear it.

Mr. REED. I should have liked to have a vote upon this amendment to-night, because my course will be somewhat determined by the result, and then take up this other matter. We were ready for a roll call on it. I am not going to object, however. I would not put myself in the position of offering an objection.

Mr. NEWLANDS. I will state that I do not feel authorized to assent to this amendment without consulting the members of the committee.

The VICE PRESIDENT. It is not a question of assent on the part of the Senator from Nevada. It is a question as to whether anybody wants to speak to this amendment or whether the question shall be put to the Senate.

Mr. ASHURST (and other Senators). Question!

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Missouri as modified. [Putting the question.] By the sound the ayes seem to have it.

Mr. NEWLANDS. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote.

Mr. CULBERSON (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote.

Mr. OWEN (when his name was called). I should like to know if the Senator from New Mexico [Mr. CATRON] has voted?

The VICE PRESIDENT. He has not.

Mr. OWEN. Being paired with that Senator, I withhold my vote.

Mr. SMITH of Maryland (when his name was called). I have a general pair with the Senator from Vermont [Mr. DILLINGHAM] and therefore withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote.

Mr. TILLMAN (when his name was called). I have a general pair with the Senator from West Virginia [Mr. GOFF]. In his absence I withhold my vote, unless it is necessary to make a quorum.

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Indiana [Mr. SHIVELY], and I vote "nay."

The roll call was concluded.

Mr. GALLINGER. I have been asked to announce that the Senator from Illinois [Mr. SHERMAN] is necessarily absent, and that if present he would vote "yea."

I have also been asked to announce pairs between the Senator from Vermont [Mr. DILLINGHAM] and the Senator from Maryland [Mr. SMITH], the Senator from Massachusetts [Mr. LODGE] and the Senator from Georgia [Mr. SMITH], the Senator from Wisconsin [Mr. STEPHENSON] and the Senator from Oklahoma [Mr. GORE], the Senator from Michigan [Mr. TOWNSEND] and the Senator from Arkansas [Mr. ROBINSON], and the Senator from Wyoming [Mr. WARREN] and the Senator from Florida [Mr. FLETCHER].

Mr. SMITH of Georgia. I am paired with the senior Senator from Massachusetts [Mr. LODGE]. In his absence I withhold my vote.

The result was announced—yeas 30, nays 32, as follows:

YEAS—30.

Brady	Hitchcock	Norris	Stone
Bryan	Jones	O'Gorman	Sutherland
Burton	Kenyon	Overman	Vardaman
Chilton	Lane	Page	Walsh
Clark, Wyo.	McCumber	Perkins	Weeks
Clarke, Ark.	Martine, N. J.	Reed	West
Colt	Myers	Simmons	
Gallinger	Nelson	Sterling	

NAYS—32.

Ashurst	Hollis	Lippitt	Sheppard
Bristow	Hughes	McLean	Smith, Ariz.
Camden	James	Martin, Va.	Smoot
Clapp	Johnson	Newlands	Swanson
Crawford	Kern	Pomerene	Thompson
Cummins	Lea, Tenn.	Ransdell	Thornton
Fall	Lee, Md.	Saulsbury	White
Gronna	Lewis	Shafroth	Williams

NOT VOTING—34.

Bankhead	Fletcher	Poindexter	Smith, S.C.
Borah	Goff	Robinson	Stephenson
Brandegee	Gore	Root	Thomas
Burleigh	La Follette	Sherman	Tillman
Catron	Lodge	Shields	Townsend
Chamberlain	Oliver	Shively	Warren
Culberson	Owen	Smith, Ga.	Works
Dillingham	Penrose	Smith, Md.	
du Pont	Pittman	Smith, Mich.	

So Mr. REED's amendment was rejected.

The VICE PRESIDENT. The roll having been called, and the vote having disclosed the presence of a quorum, the Senator from Nevada presents a proposed unanimous-consent agreement, which will be read.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 2 o'clock p. m. on the calendar day of Wednesday, August 5, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill H. R. 15613, an act to create an interstate trade commission, etc., through the regular parliamentary stages to its final disposition; and that after the hour of 2 o'clock p. m. no Senator shall speak more than once or longer than 10 minutes upon the bill or upon any amendment offered thereto; and, further, that the vote upon the passage of the bill as amended shall be taken at not later than 6 o'clock p. m. on the said day.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry. Who offers that agreement?

The VICE PRESIDENT. The Senator from Nevada [Mr. NEWLANDS]. Is there any objection to the unanimous-consent agreement? The Chair hears none, and it is accordingly entered as the order of the Senate.

REGISTRY OF FOREIGN-BUILT VESSELS.

Mr. O'GORMAN. In behalf of the Committee on Interoceanic Canals, I report back favorably, with amendments, the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes, and I submit a report (No. 719) thereon. I ask for its immediate consideration.

The VICE PRESIDENT. Is there objection?

Mr. GALLINGER. I object to its consideration. I think the bill ought to be printed, and we ought to have an opportunity to read it.

The VICE PRESIDENT. There is objection to the present consideration of the bill. It will be printed and placed on the calendar.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 3176. An act to increase the limit of cost of the public building at Bangor, Me.; and

S. 6192. An act to amend section 27 of an act approved December 23, 1913, and known as the Federal reserve act.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented a memorial of the Chamber of Commerce of San Francisco, Cal., and a memorial of the Shipowners' Association of the Pacific Coast, remonstrating against foreign-built vessels engaging in the coastwise trade, which were referred to the Committee on Commerce.

He also presented a memorial of the Federated Trades and Labor Council of San Diego, Cal., remonstrating against national prohibition, which was referred to the Committee on the Judiciary.

He also presented a telegram in the nature of a petition from sundry citizens of Berkeley, Cal., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Mount View, of the Congregational Sunday School of Lodi, and of the Pacific Conference of the Epworth Leagues of the Methodist Episcopal Church South, at Stockton, all in the State of California, praying for the enactment of legislation to provide for Federal censorship of motion pictures, which were referred to the Committee on Education and Labor.

Mr. JONES presented a memorial of sundry citizens of North Yakima, Wash., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McLEAN:

A bill (S. 6211) granting an increase of pension to Aurelia M. Todd (with accompanying papers); to the Committee on Pensions.

By Mr. BURTON:

A bill (S. 6212) granting an increase of pension to Harriet L. Willis; and

A bill (S. 6213) granting an increase of pension to Clara R. Squier; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 6215) granting an increase of pension to David W. Mead (with accompanying papers); to the Committee on Pensions.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

Mr. KERN. I move that the Senate adjourn until 11 o'clock to-morrow morning.

The motion was agreed to, and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, August 5, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 4 (legislative day of August 3), 1914.

MINISTER.

Garrett Droppers, of Williamstown, Mass., to be envoy extraordinary and minister plenipotentiary of the United States of America to Greece and Montenegro, vice George Fred Williams, resigned.

MEMBER OF THE FEDERAL RESERVE BOARD.

Frederic A. Delano, of Chicago, Ill., to be a member of the Federal Reserve Board for a term of six years.

PROMOTIONS AND APPOINTMENT IN THE NAVY.

Capt. Charles A. Gove to be a rear admiral in the Navy from the 10th day of July, 1914.

Lieut. Commander George L. P. Stone to be a commander in the Navy from the 1st day of July, 1914.

Lieut. Theodore A. Kittenger to be a lieutenant commander in the Navy from the 1st day of July, 1914.

Lieut. Charles T. Hutchins, jr., to be a lieutenant commander in the Navy from the 1st day of July, 1914.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 5th day of June, 1914:

Hugh P. Le Clair,
James D. Maloney,
Wallace L. Lind,
Richard McC. Elliot, jr.,
Radford Moses,
Holbrook Gibson,
Howard H. J. Benson,
Wilbur J. Carver,
George A. Trever,
Benjamin F. Tilley, jr., and
Robert P. Guiler, jr.

Jack H. Harris, a citizen of North Carolina, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 30th day of July, 1914.

Pharmacist Charles E. Alexander to be a chief pharmacist in the Navy from the 10th day of July, 1914.

Capt. Epaminondas L. Bigler to be a captain in the Marine Corps from the 22d day of August, 1912, to change the date from which he takes rank as previously confirmed.

Capt. Robert B. Farquharson to be a captain in the Marine Corps from the 16th day of September, 1912, to correct the date from which he takes rank as previously confirmed.

Capt. Walter N. Hill to be a captain in the Marine Corps from the 1st day of January, 1913, to correct the date from which he takes rank as previously confirmed.

Capt. Lauren S. Willis to be a captain in the Marine Corps from the 5th day of February, 1913, to correct the date from which he takes rank as previously confirmed.

Capt. Frederick A. Barker to be a captain in the Marine Corps from the 6th day of May, 1913, to correct the date from which he takes rank as previously confirmed.

Capt. Edward B. Cole to be a captain in the Marine Corps from the 25th day of February, 1914, to correct the date from which he takes rank as previously confirmed.

Capt. William T. Hoadley to be a captain in the Marine Corps from the 1st day of May, 1914, to correct the date from which he takes rank as previously confirmed.

RECEIVER OF PUBLIC MONEYS.

John E. Barrett, of Yates Center, Kans., to be receiver of public moneys at Topeka, Kans., vice Joshua G. Wood, term expired.

POSTMASTERS.

CALIFORNIA.

T. B. Cutler to be postmaster at Crescent City, Cal., in place of W. A. Howe. Incumbent's commission expired May 18, 1914.

M. P. Meacham to be postmaster at Altadena, Cal. Office became presidential April 1, 1913.

Charles E. Noggle to be postmaster at Monterey, Cal., in place of William W. James. Incumbent's commission expired December 21, 1913.

Lillian P. Stephenson to be postmaster at Big Creek, Cal., in place of L. T. Stephenson, resigned.

Willard Wells to be postmaster at Eureka, Cal., in place of William N. Speegle, resigned.

CONNECTICUT.

E. W. Doolittle to be postmaster at Plantsville, Conn., in place of Thomas Walker, removed.

FLORIDA.

James McKay to be postmaster at Tampa, Fla., in place of George W. Bean. Incumbent's commission expired January 24, 1914.

INDIANA.

George E. Endres to be postmaster at Bloomfield, Ind., in place of Harriet C. Graham, removed.

KENTUCKY.

Moses F. Moore to be postmaster at Central City, Ky., in place of Jessie K. Freeman, jr. Incumbent's commission expired June 20, 1914.

MASSACHUSETTS.

John McGrath to be postmaster at Amesbury, Mass., in place of Timothy F. Lyons, deceased.

MONTANA.

Dan Sullivan to be postmaster at Shelby, Mont. Office became presidential July 1, 1914.

NEW YORK.

Maurice F. Axtell to be postmaster at Deposit, N. Y., in place of Henry M. Wilcox, resigned.

Melvin W. Billings to be postmaster at Hurleyville, N. Y., in place of Amelia L. Tyler, resigned.

William F. Britt to be postmaster at Sea Cliff, N. Y., in place of C. S. Chellborg, resigned.

John H. Cronan to be postmaster at Port Henry, N. Y., in place of Samuel D. Mulholland. Incumbent's commission expired April 29, 1914.

Edward J. Cunningham to be postmaster at Amenia, N. Y., in place of William H. Bartlett. Incumbent's commission expired March 11, 1914.

F. W. Ferrell to be postmaster at Chateaugay, N. Y., in place of Agnes M. Nolan. Incumbent's commission expired June 9, 1913.

Andrew J. Fitzpatrick to be postmaster at Springville, N. Y., in place of Alton C. Bates. Incumbent's commission expired June 1, 1914.

L. R. Francis to be postmaster at Ripley, N. Y., in place of George W. Hitchcock. Incumbent's commission expired January 31, 1914.

Archie S. Gould to be postmaster at Alfred, N. Y., in place of Lyle Bennehoff. Incumbent's commission expired June 24, 1914.

John W. Hamilton to be postmaster at Stillwater, N. Y., in place of George Coon, failed to qualify.

R. P. Heaton to be postmaster at Chazy, N. Y., in place of Leslie A. Childs. Incumbent's commission expired February 21, 1914.

F. M. Hopkins to be postmaster at Binghamton, N. Y., in place of De Witt C. Herrick. Incumbent's commission expired May 23, 1914.

William Johnson to be postmaster at Groveland Station, N. Y., in place of William M. Morrison, resigned.

C. M. Marnes to be postmaster at Rouses Point, N. Y., in place of John W. Bowron. Incumbent's commission expired April 12, 1914.

Edward S. Moss to be postmaster at Brocton, N. Y., in place of George M. Mathews. Incumbent's commission expired April 15, 1914.

Elmer W. Simmons to be postmaster at Millerton, N. Y., in place of Charles A. Townsend, declined.

Thomas P. Whalen to be postmaster at Dover Plains, N. Y., in place of John A. Hanna. Incumbent's commission expired February 17, 1913.

William T. Welden to be postmaster at Richfield Springs, N. Y., in place of Frederick Bronner. Incumbent's commission expired March 8, 1914.

NORTH DAKOTA.

Charles S. Ego to be postmaster at Lisbon, N. Dak., in place of Edgar C. Lucas. Incumbent's commission expired February 7, 1914.

PENNSYLVANIA.

E. M. Dailey to be postmaster at Dushore, Pa., in place of John Scher, jr. Incumbent's commission expired April 11, 1914.

Thomas E. Grady to be postmaster at Montgomery, Pa., in place of Elmer S. Hull. Incumbent's commission expired January 19, 1914.

Richard T. Hugus to be postmaster at Jeannette, Pa., in place of William F. Elkin. Incumbent's commission expired June 20, 1914.

Jacob H. Maust to be postmaster at Bloomsburg, Pa., in place of James C. Brown. Incumbent's commission expired June 1, 1914.

WISCONSIN.

J. D. Burns to be postmaster at Colfax, Wis., in place of Nicholas A. Lee, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 4 (legislative day of August 3), 1914.

CONSUL.

Roger Culver Tredwell to be consul at Leghorn, Italy.

UNITED STATES ATTORNEY.

Arthur L. Oliver to be United States attorney, eastern district of Missouri.

UNITED STATES MARSHAL.

John E. Lynch to be United States marshal, eastern district of Missouri.

POSTMASTERS.

FLORIDA.

James McKay, Tampa.

PENNSYLVANIA.

Charles E. Knecht, Nazareth.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 4, 1914.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Almighty God, in whom is all wisdom, power, and goodness, interpose, we beseech Thee, and avert the terrible war which threatens all Europe. Arouse the better angels in the hearts of those in authority and bring them together in reason, justice, and mercy, that their differences may be amicably adjusted by sane and peaceful methods. But, if war must needs come, we pray most earnestly and fervently for the poor, irresponsible, misguided men upon whom will fall the brunt of all the horrors and miseries attendant upon war. And, O Father, shield and protect the helpless women and children, whose sorrows will be beyond compare. Unite us as a people by the strong ties of brotherhood into a more compact union for peace, harmony, and all that makes for good government. Hear us, O God our Father, and answer our petition in the name of Christ the Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

Mr. FIELDS asked unanimous consent for leave of absence, indefinitely, on account of illness.

Mr. WOODRUFF asked leave of absence, for 30 days, on account of important business.

The SPEAKER. Is there objection to these requests?

Mr. MANN. Reserving the right to object, I think I shall not object, although I do not see present the gentleman from Connecticut [Mr. DONOVAN] who usually objects.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

THE GENERAL DAM ACT.

Mr. ADAMSON. Mr. Speaker, I understand that the conference report is not yet ready, and I move to go into Committee of the Whole House on the state of the Union for the further consideration of the general dam bill.

The SPEAKER. The gentleman can move to rise when the conference report is ready.

Mr. ADAMSON. I will move to rise when the conference report comes in.

The SPEAKER. The gentleman from Georgia moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 16053, the general dam act.

The motion was agreed to.

Mr. MANN. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas is about to take the gavel.

Mr. MANN. It will not make much difference; we will have to have a call in the committee if not in the House.

The SPEAKER. The only difference is that we have to have 217 Members for a quorum in the House and only 100 in the committee.

Mr. MANN. I withdraw the point of order.

The SPEAKER. The gentleman from Illinois withdraws his point of order, and the gentleman from Texas will take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. GARNER in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill, the title of which the Clerk will report.

The Clerk read as follows:

H. R. 16053. A bill to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910.

Mr. MANN. Mr. Chairman, I make the point that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-one Members present—not a quorum, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Abercrombie	Estopinal	Humphrey, Wash.	Porter
Adair	Fairchild	Igoe	Post
Ainey	Faison	Johnson, S. C.	Pou
Anthony	Farr	Kelley, Mich.	Powers
Ashbrook	Fess	Kent	Rayburn
Aswell	Fields	Kinkead, N. J.	Reed
Austin	Fitzgerald	Kitchin	Riordan
Avis	Flood, Va.	Knowland, J. R.	Roberts, Mass.
Barchfeld	Floyd, Ark.	Kreider	Rouse
Barkley	Fordney	Lafferty	Sabath
Bartholdt	Francis	Langham	Saunders
Bartlett	Frear	Langley	Scully
Beall, Tex.	Gard	Lazaro	Sells
Bell, Ga.	Gardner	L'Engle	Sherley
Borland	George	Lenroot	Sherwood
Brodbeck	Gerry	Lewis, Pa.	Slayden
Broussard	Gill	Lindquist	Smith, Md.
Browne, Wis.	Gillett	Lobeck	Smith, J. M. C.
Browning	Gittins	Loft	Smith, N. Y.
Bruckner	Goeke	Lonergan	Sparkman
Bulkley	Goldfogle	McAndrews	Stanley
Burke, Pa.	Gordon	McGillicuddy	Steenerson
Byrnes, S. C.	Gorman	McGuire, Okla.	Stephens, Miss.
Byrns, Tenn.	Goulden	McKellar	Stephens, Nebr.
Calder	Graham, Ill.	Mahan	Stringer
Callaway	Graham, Pa.	Maher	Sumners
Cantrill	Green, Iowa	Manahan	Switzer
Carew	Griest	Martin	Taggart
Carlin	Griffin	Merritt	Talcott, N. Y.
Cary	Gudger	Metz	Ten Eyck
Casey	Hamill	Morgan, La.	Thacher
Chandler, N. Y.	Hamilton, Mich.	Mott	Thomas
Coady	Hamilton, N. Y.	Murray, Okla.	Thompson, Okla.
Connolly, Iowa	Hammond	Neeley, Kans.	Underhill
Copley	Hardwick	Neely, W. Va.	Vare
Covington	Hart	O'Brien	Vaughan
Crisp	Hayden	Oglesby	Vollmer
Crosser	Hayes	O'Leary	Walker
Dale	Heflin	O'Shaunessy	Wallin
Davenport	Hill	Padgett	Walsh
Deitrick	Hinds	Paige, Mass.	Watkins
Dies	Hinebaugh	Palmer	Weaver
Dooling	Hobson	Parker	Whitacre
Driscoll	Houston	Peters, Me.	White
Dupré	Howell	Peters, Mass.	Williams
Eagan	Hoxworth	Peterson	Willis
Eagle	Hughes, Ga.	Phelan	Winslow
Edwards	Hughes, W. Va.	Platt	Woodruff
Elder	Hulings	Plumley	Young, Tex.

The committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having under consideration the bill H. R. 16053, and finding itself without a quorum, had caused the roll to be called, and 235 Members answered to their names, and he presented a list of the absentees.

The committee resumed its session.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire [Mr. STEVENS].

The question was taken; and on a division there were 45 ayes and 69 noes.

Mr. STEVENS of New Hampshire. Tellers, Mr. Chairman.

Tellers were ordered.

Mr. THOMSON of Illinois. Mr. Chairman, I ask unanimous consent that the amendment may be again reported.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the Clerk may again report the amendment.

Mr. MANN. Reserving the right to object, I suggest that the provision of the text be first reported, and then the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. MANN]? [After a pause.] The Chair hears none.

Mr. MURDOCK. Mr. Chairman, no right to tellers is lost by this proceeding?

The CHAIRMAN. No. Is there objection? [After a pause.] The Chair hears none, and the Clerk will report the text of the bill and the proposed amendment.

The Clerk read as follows:

SEC. 9. That the rights herein granted shall continue for a period of 50 years from and after the date of the completion of the dam described in the original approval, and after the expiration of said 50 years such rights shall continue until compensation has been made to said grantee for the fair value of its property, as hereinafter provided, or until said rights and privileges are revoked as provided in this act, or until action by Congress shall have provided for the disposition of the project or for extending the consent of Congress and fixing the period of extension, as well as providing such additional terms and conditions of consent as Congress may deem wise.

Amendment by Mr. STEVENS of New Hampshire:

"Amend section 9, page 10, by striking out all of said section and substituting in place thereof the following:

"'SEC. 9. That the rights granted herein shall continue for a period of 50 years from and after the date of the original approval unless sooner revoked or forfeited, as provided for in this act.'"

The Chair appointed Mr. STEVENS of New Hampshire and Mr. ADAMSON to act as tellers.

The committee again divided; and the tellers reported—ayes 81, noes 79.

So the amendment was agreed to.

Mr. FOWLER. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

Mr. ADAMSON. Mr. Chairman, I understand the conference report on the emergency currency measure is ready. I therefore move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 16053, the general dam act, and had come to no resolution thereon.

EMERGENCY CURRENCY.

Mr. GLASS. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill S. 6192, to amend section 27 of an act approved December 23, 1913, and known as the Federal reserve act.

The SPEAKER. The gentleman from Virginia asks unanimous consent for the present consideration of the conference report on the bill S. 6192, without printing under the rules. Is there objection?

Mr. MURDOCK. Mr. Speaker, reserving the right to object, does the gentleman from Virginia intend to explain how the bill has been changed?

Mr. GLASS. I can do so in a very few minutes, and the reading of the report will do that.

The SPEAKER. The Clerk will report the conference report.

The Clerk read as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 6192) to amend section 27 of the act approved December 23, 1913, and known as the Federal reserve act, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to a substitute therefor as follows, to wit: After the word "and," in line 9, page 3, insert: "to suspend also the conditions and limitations of section 5 of said act, except that no bank shall be permitted to issue circulating notes in excess of 125 per cent of its unimpaired capital and surplus. He shall require each bank and currency association to maintain on deposit in the Treasury of the United States a sum in gold sufficient in his judgment for the redemption of such notes, but in no event less than 5 per cent. He"; after the word "to," line 12, page 3, insert "as herein amended."

That the House recede from its amendment numbered 1, and agree to the substitute as above set forth.

CARTER GLASS,
C. A. KORBLY,
E. A. HAYES,
Managers on the part of the House.

ROBERT L. OWEN,
G. M. HITCHCOCK,
KNUTE NELSON,
Managers on the part of the Senate.

The SPEAKER. The gentleman from Virginia asks unanimous consent for the present consideration of the conference report, notwithstanding the rule about going over for one day to be printed. Is there objection?

There was no objection.

Mr. GLASS. Mr. Speaker, the alteration in the amendment of the House is a very simple one. There were comprised in section 5 of the Vreeland-Aldrich Act two limitations. One related to the individual bank, requiring that no individual bank should receive emergency notes in excess of its capital stock and surplus; the other related to the gross amount of emergency notes that might be issued. That was fixed at $500,000,000. The House amendment to the Senate proposition left the matter wide open, both as to the gross amount of notes that might be issued and as to the amount of currency that might be received by individual banks. The Senate dissented from the latter proposition and put a limitation upon the amount of currency that may be received by individual banks, making it 25 per cent in excess of the total capitalization and surplus of the bank.

Mr. MURDOCK. And added a gold-reserve feature?

Mr. GLASS. And added a gold-reserve feature in the language of the Federal reserve act. In other words, the 5 per cent current redemption fund in the case of national-bank notes

was found to be inadequate, and the Federal reserve act provides that the Secretary of the Treasury may, at his discretion, increase the amount in the case of Federal reserve notes. We have simply embodied in this amendment with respect to emergency notes the language of the Federal reserve act with respect to Federal reserve notes. The Secretary of the Treasury appeared before the conferees and recommended that the alteration be made, and gave us a rather more optimistic view of matters than members of the committee had entertained.

Mr. MURDOCK. Mr. Speaker, I would like to ask the gentleman a question. This emergency currency is now printed?

Mr. GLASS. Yes.

Mr. MURDOCK. Is it printed under titles of national banks?

Mr. GLASS. Yes.

Mr. MURDOCK. Is it possible for the Secretary of the Treasury to take national-bank notes printed under a bank title, say, in Illinois, and let a New York bank have them?

Mr. GLASS. No; he will have the currency printed for the New York bank.

Mr. MURDOCK. I understood the currency was already printed.

Mr. GLASS. Half a billion is already printed. The plates are in existence and additional amounts are being now printed.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. GLASS. Yes.

Mr. GARNER. The Senate disagreed to both of the House amendments?

Mr. GLASS. No; to only one.

Mr. GARNER. And the conference committee has only to report on one amendment in disagreement?

Mr. GLASS. Yes.

Mr. GARNER. As I understand the amendment of the Senate which the conferees agreed on, it changes the present law to the extent that the only limitation on a bank's issue is 25 per cent plus its capital and surplus?

Mr. GLASS. Yes.

Mr. GARNER. That is the only change from the Vreeland law and the present law?

Mr. GLASS. Except to authorize the Secretary of the Treasury to increase the amount of the gold redemption fund.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. GLASS. Yes.

Mr. MANN. If I understand this correctly, this amendment makes three changes from the existing law. Under existing law the total limitation on the currency which may be issued is $500,000,000, and this takes off the limit entirely.

Mr. GLASS. That is true.

Mr. MANN. Leaving it to the discretion of the Secretary of the Treasury?

Mr. GLASS. Yes.

Mr. MANN. And that under the existing law the amount that may be advanced to any bank can not exceed its capital and surplus, while this authorizes 25 per cent more than the capital and surplus?

Mr. GLASS. To the individual bank; yes.

Mr. MANN. That under existing law there is no gold reserve required?

Mr. GLASS. There is 5 per cent gold redemption fund required.

Mr. MANN. I mean gold redemption fund.

Mr. GLASS. And this authorizes the Secretary of the Treasury in his discretion to increase that.

Mr. MANN. Does the existing law provide for 5 per cent?

Mr. GLASS. It provides for 5 per cent; yes.

The Vreeland-Aldrich Act provides for 5 per cent. The Federal reserve act provides not less than 5 per cent and permits the Secretary of the Treasury in his discretion to increase the amount.

Mr. MANN. Of course this is not the Federal reserve act, so that has no application——

Mr. GLASS. No.

Mr. MANN. But the Vreeland-Aldrich Act provides a 5 per cent gold redemption fund?

Mr. GLASS. That is true.

Mr. MANN. Each bank which receives these currency notes must put up with the Government 5 per cent of that in gold?

Mr. GLASS. Yes.

Mr. MANN. And this authorizes the Secretary of the Treasury to increase that amount?

Mr. GLASS. In his discretion; yes.

Mr. MANN. That is the only change made in that respect?

Mr. GLASS. That is the only change, to provide against inflation. I ask for a vote, Mr. Speaker.

Mr. COOPER. Will the gentleman yield to one question?

Mr. GLASS. Yes.

Mr. COOPER. What is the reason for the increase of the amount which the bank may issue to 125 per cent?

Mr. GLASS. Simply to meet the emergency. A good many of the banks, a good many of the national banks——

Mr. GARNER. Country banks.

Mr. GLASS. A good many of the national banks, especially the country banks, are up to the possible amount of their circulation, and this increase of 25 per cent in excess of capital and surplus was a necessary precaution to meet the emergency.

Mr. RAGSDALE. Will the gentleman permit one question?

Mr. GLASS. Certainly.

Mr. RAGSDALE. Will not this also enable the southern country banks more rapidly and easily to handle and market the crops now coming to market?

Mr. GLASS. And western banks.

Mr. RAGSDALE. And western banks?

Mr. GLASS. Yes.

Mr. FOWLER. Will the gentleman permit one question?

Mr. GLASS. I will.

Mr. FOWLER. Is there any provision made for additional security for the excess of 25 per cent above the capital and surplus of any individual bank?

Mr. GLASS. The same kind of security is required for the excess that is required for the original amount.

Mr. FOWLER. The same as originally provided in the Vreeland-Aldrich bill—the same character and amount of security?

Mr. GLASS. Yes.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

On motion of Mr. GLASS, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

THE GENERAL DAM ACT.

Mr. ADAMSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill amending the general dam act.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 16053, with Mr. GARNER in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 16053) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. FOWLER].

The Clerk read as follows:

Page 10, lines 10 and 12, strike out "fifty" and insert in lieu thereof "twenty-five."

Mr. MANN. Mr. Chairman, I make the point of order, the House has already inserted new matter in that section.

The CHAIRMAN. What is the point of order?

Mr. MANN. That there is nothing left of this section except what the committee has inserted by way of amendment, and that can not be amended now.

The CHAIRMAN. The point of order is well taken.

Mr. FOWLER. Mr. Chairman, while it is true the committee has adopted an amendment with reference to the taking over of the property after 50 years, that does not prevent the committee from considering an amendment to lessen the time.

The CHAIRMAN. The parliamentary situation, the Chair will state to the gentleman from Illinois, is this: The gentleman from New Hampshire offered an amendment to this section striking out the entire section and substituting certain language for it. Now, if the gentleman from Illinois wanted to amend that amendment and perfect it before it became part of the bill his opportunity existed then. After the amendment is adopted the rules of the committee do not permit the gentleman to offer the amendment; it is finished. That is the parliamentary situation.

Mr. FOWLER. Well, Mr. Chairman, that very parliamentary situation came up here a few days ago in the House on an amendment to a bill after an amendment had already been adopted, and the Chair held that the committee could consider that new amendment offered if it saw fit.

The CHAIRMAN. The Chair is advised that what was held at that time was what the Chair has just stated. An amendment could have been offered to perfect this amendment, but after it is once adopted——

Mr. FOWLER. Then, Mr. Chairman, I think that the advice which the Chair has received does not report correctly the parliamentary situation at that time. If I remember it correctly, an amendment had already been adopted upon a vote and subsequent to that a new amendment was offered to the amendment, which had already been voted on.

The CHAIRMAN. The Chair thinks he recalls that instance in which an amendment was offered to a paragraph, to perfect the paragraph. After that the motion was made to substitute for another paragraph, which would have been in order. This is an entirely different situation. A substitute was offered by the gentleman from New Hampshire. That substitute was agreed to. No effort was made to perfect the substitute before it was agreed to, and it is too late; and the Clerk will read.

Mr. FOWLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FOWLER. Was there anything more than simply an amendment offered by the gentleman from New Hampshire which had just been voted on at the time?

The CHAIRMAN. The amendment was offered in the nature of a substitute to perfect the entire paragraph.

Mr. FOWLER. Well, did it perfect the entire paragraph?

The CHAIRMAN. It struck out the entire paragraph and substituted other language for it.

Mr. FOWLER. I did not understand that it took out the language of the entire paragraph, but that it only affected certain language of the paragraph.

The CHAIRMAN. The point of order is sustained. The gentleman from Illinois can not offer the amendment now, and the Chair thinks it is useless to further discuss the matter.

Mr. FOWLER. I am going to abide by the decision of the Chair, although I think the Chair is wrong.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. UNDERWOOD having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 23) for the relief of Clara Dougherty, Ernest Kubel, and Josephine Taylor, owners of lot No. 13; of Ernest Kubel, owner of lot No. 41; and of Mary Meder, owner of the south 17.10 feet front by the full depth thereof of lot No. 14, all of said property in square No. 724, in Washington, D. C., with regard to assessment and payment for damages on account of change of grade due to the construction of Union Station, in said District, which were, on page 2, line 6, to strike out "and forty-one"; on page 3, line 15, after the word "States," to insert: ": *Provided, however*, That from such sum or sums as may be awarded to said owners there shall be deducted the compensation and expenses of said commission and the compensation of said jurors."

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to an act (S. 6192) to amend section 27 of an act approved December 23, 1913, and known as the Federal reserve act.

The message also announced that the Senate had passed the bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 6039. An act for the coinage of certain gold and silver coins in commemoration of the Panama-Pacific International Exposition, and for other purposes.

THE GENERAL DAM ACT.

The committee resumed its session.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 10. That any time after the expiration of said 50 years the Secretary of War may terminate the rights hereby granted upon giving to the owners thereof one year's notice in writing of such termination, and upon the taking over by the United States, or by any person authorized by Congress, of all the property dependent in whole or in part for its usefulness upon the rights hereby granted, which shall include all necessary and appurtenant property created or acquired and valuable or serviceable in the distribution of water, or in the generation, transmission, and distribution of power, and all other property the value and usefulness of which would be destroyed or seriously impaired by such termination, and upon paying the fair value of said property, together with the cost, to the grantee of the lock or locks or other aids to navigation and all other capital expenditures required by the United States, and assuming all contracts entered into prior to the receipt by it of said notice of termination which have the approval of the duly constituted public authority having jurisdiction thereof, or which were entered into in good faith and at a reasonable rate, in view of all the circumstances existing at the time such contracts were made. The fair value of said property and the reasonableness and good faith of such contracts shall be determined by agreement between the Secretary of War and the owners of such property, and in the event of their failure to agree, then by proceedings instituted by the United States, or by any person authorized by Congress, in the district court of the United States within which any portion of such dam may be located. In the determination of the value of said property upon the termination of said grant as above provided no value shall be claimed by or allowed for the consent hereby granted, nor for good will, profit in pending contracts, nor other conditions of current or prospective business.

Mr. STEVENS of New Hampshire. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Hampshire offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend section 10, page 10, by striking out the entire section and substituting therefor the following:

"SEC. 10. That upon not less than two years' notice prior to the expiration of any grant made hereunder and at any time after the expiration of such grant upon six months' notice the United States, or any person authorized by Congress, shall have the right to take over all of the property of the grantee necessary and useful for the generation, transmission, or distribution of power. Such property shall include the lands or interests in lands acquired or used for the purposes of the development and transmission of power, the dam and other structures and the equipment necessary and useful for the generation of power, and the transmission system from generation plant to initial points of distribution, and the lock or locks or other aids to navigation, but shall not include any other property whatsoever. Before taking possession the United States or the person authorized by Congress shall pay therefor (1) the actual cost to the grantee of lands or any interests therein purchased and used by the grantee in the generation and distribution of power, and (2) the fair value of the other properties taken over, together with the cost to the grantee of the lock or locks or other aids to navigation, and all other capital expenditures required by the United States in assuming all contracts for electrical energy extending beyond the granting period which have had or may have the approval of the Secretary of War and which were entered into in good faith and at a reasonable rate. The actual cost of land or interests therein and the fair value of other property shall be determined by agreement between the Secretary of War and the owners of such property, and in the event of their failure to agree, then by proceedings instituted by the United States or by the person authorized by the United States in the district court of the United States within which any portion of such dam may be located. In determining the fair value of the property other than lands or interests in lands, allowance shall be made for deterioration, if any, of the existing structures and transmission lines, and no value shall be claimed or allowed for the rights hereby granted, for good will, going concern, profit in pending contracts for electrical energy, or for other conditions of current or prospective business, or for any other intangible element."

Mr. ADAMSON. Mr. Chairman, I have no objection to that amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New Hampshire.

The amendment was agreed to.

The Clerk read as follows:

SEC. 11. That in all cases where the electric current generated from or by any of the projects provided for in this act shall enter into interstate or foreign commerce, the rates, charges, and service for the same to the consumers thereof shall be just and reasonable, and every unjust and unreasonable and unduly discriminatory charge, rate, or service therefor is hereby prohibited and declared to be illegal; and whenever the Secretary of War shall be of the opinion that the rates or charges demanded or collected on the service rendered for such electric current are unjust, unreasonable, or unduly discriminatory, upon complaint made therefor and full hearing thereon the Secretary of War is hereby authorized and empowered to determine and prescribe what shall be the just and reasonable rates and charges therefor to be observed as the maximum to be charged and the service to be rendered; and in case of the violation of any such order of the Secretary of War the provisions of this act relative to forfeiture and failure to comply shall apply. That in the valuation for rate-making purposes of the property existing under said approval of the project there may be considered any lock or locks, or other aids to navigation, and all other capital expenditures required by the United States.

The Secretary of War is further authorized and directed to include among the conditions for his approval of any plans or any project herein provided, as an express condition thereof, a clause reserving to the Secretary of War the same rights, powers, and duties set forth in this section, together with the same penalty for violation thereof: *Provided*, That whenever the State in which such current shall be used shall have provided by law adequate regulation for rates, charges, and service to the consumers for such electric current and such regulation shall not be unduly discriminatory or unjust against the service or charges in any other State arising from the use of the power from the same project, and such facts shall be established to the satisfaction of the Secretary of War, then in such case the provisions of this section shall not apply to the rates, charges, and service in and for such State.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. UNDERWOOD having taken the chair as Speaker pro tempore, a message in writing from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries.

THE GENERAL DAM ACT.

The committee resumed its session.

Mr. STEVENS of New Hampshire and Mr. THOMSON of Illinois rose.

The CHAIRMAN. The gentleman from New Hampshire [Mr. STEVENS] is recognized.

Mr. STEVENS of New Hampshire. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Hampshire offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 13, line 5, after the words "United States," strike out the period, insert a comma, and add the following:

"But no value shall be claimed or allowed for the rights hereby granted, for good will, going concern, or any other intangible value."

Mr. ADAMSON. Mr. Chairman, I have no objection to that.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMITH of Minnesota. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 12, line 8, after "11," strike out section 11 and insert:

"That all charges, rates, and service by any grantee or lessee hereunder, or connecting company engaged in the transmission and sale of power and electric current generated by any project subject to the provisions of this act, shall be reasonable, adequate, without discrimination, and subject to the regulations of the Secretary of War. To enforce such just and reasonable and nondiscriminatory charges and secure adequate and efficient service to consumers, the Secretary of War is hereby authorized and empowered to prescribe and examine reports and systems of account, books, and other records, establish standards, and make tests of service, control the issuance of stocks and bonds by corporations engaged in the generation, transmission, or sale of such hydroelectric product, and require them to submit statements of all costs of property, production distribution, sale, and use of product, subject to such grant or lease and connected with such project, furnishing such information upon oath or by witness or in such form and upon such blanks as the Secretary of War may order and require; and on complaint of any State, municipality, or consumers affected thereby, and full hearing thereon, the Secretary of War is empowered to determine and prescribe the maximum rates to be charged, based on fair and reasonable returns on the valuation of the property and cost of operation, and ascertain and order the requirements of service to be rendered; and in case of any violation of such orders of the Secretary of War or the refusal of such grantee or lessee to give the Secretary of War and his legal representatives full access to its property and records, the provisions of this act relative to forfeiture and failure to comply shall apply. It is herewith provided, however:

"(a) That when a State in which such water power and electric current is used shall notify the Secretary of War of the passage of laws and the perfecting of administration to effectively provide for such regulation of rates, charges, and service within such State and its municipal subdivisions, the regulations of the Secretary of War shall not apply to local and intrastate business therein.

"(b) That when the power generated by such project enters both interstate and intrastate commerce, the Secretary of War is hereby authorized to join with any State in which such power is used in effecting such joint and interlocking system of Federal and State regulation as in its judgment shall most effectively promote the general public interest and carry out the purposes of this act.

"(c) That in such valuation for rate-making purposes of the property operated under such grant there may be considered by the Secretary of War any lock or other aid to navigation, including all capital expenditures required of the grantee by the United States, but no value shall be allowed for the good will or franchise value of the lease or permit hereby or heretofore granted."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

Mr. SMITH of Minnesota. Mr. Chairman——

Mr. UNDERWOOD. Mr. Chairman, may I interrupt the gentleman a minute? How much time does he desire?

Mr. SMITH of Minnesota. I would like 15 minutes.

Mr. ADAMSON. Mr. Chairman, there never has been a subject in the world talked about as much as this. Every single angle of it has been debated, and I hope that gentlemen will offer the amendments and vote on them, and let us get through. I am willing to vote on the amendment right now, and am willing to have them adopt this amendment, if they want to do so. There is no difference except that he has a thousand or so words that mean the same thing, practically. Let us limit the debate or vote at once. I do not care to hear anybody talk 15 minutes on it.

Mr. MANN. My friend from Georgia has not exhausted himself, and we gave him unlimited time the other day.

Mr. ADAMSON. Well, I spoke 15 minutes in reply to 6 weeks of unending oratory.

Mr. MANN. We gave the gentleman unlimited time under the five-minute rule the other day.

Mr. UNDERWOOD. Is 15 minutes all the gentleman from Minnesota desires?

Mr. SMITH of Minnesota. That is all I want.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this amendment be limited to 20 minutes, the gentleman from Minnesota to have 10 and those in opposition to have the same amount of time.

Mr. MANN. The gentleman from Minnesota wants 15 minutes.

Mr. ADAMSON. I think 5 minutes on a side would be enough.

Mr. UNDERWOOD. Can not the gentleman compromise on 10 minutes?

Mr. SMITH of Minnesota. I will.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota may have 10 minutes, that there may be 5 minutes in opposition, and that all debate close in 15 minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this paragraph and amendments close in 15 minutes, 10 minutes to be controlled by the gentleman from Minnesota and 5 minutes by those opposed to the amendment. Is there objection?

Mr. RAINEY. Reserving the right to object, who is included in that 5 minutes on this side?

Mr. UNDERWOOD. Anybody who is opposed to the amendment.

Mr. ADAMSON. The gentleman from Illinois may have my time if he wants it.

The CHAIRMAN. Is there objection?

Mr. STEVENS of New Hampshire. Reserving the right to object, this amendment covers many different subjects. For instance, there is a paragraph about accounting and reports on the projects. I would like to know if there is 15 or 20 minutes debate on a side on this substitute, which covers a very wide range of subjects, the Chairman is going to object to debate on some of the same things that will be brought up separately later?

Mr. ADAMSON. I take it for granted that the House ought to vote this down without any debate if the gentlemen do not care to waste time on it.

Mr. MANN. Do not let us have any misunderstanding. The request is to close debate on this section and all amendments thereto.

Mr. ADAMSON. In 20 minutes.

The CHAIRMAN. Is there objection?

Mr. CULLOP. Mr. Chairman, I object to that request. There may be other amendments to be debated.

Mr. ADAMSON. How much time does the gentleman from Indiana want?

Mr. CULLOP. I do not know until the amendments are offered. If you restrict the request to this amendment, we will not have any objection; but if it is to go to all amendments, we do object.

Mr. UNDERWOOD. Well, Mr. Chairman, I want to get this bill out of the House to-day. I really want to agree to latitude of debate, but unless we can agree upon a reasonable length of debate I shall insist upon the observance of the rule that all speeches be limited to five minutes.

Mr. ADAMSON. Oh, the gentleman himself had 15 minutes two or three times.

Mr. UNDERWOOD. Well, we have to get the bill out.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Wisconsin?

Mr. UNDERWOOD. Yes.

Mr. COOPER. Mr. Chairman, is the question of objecting or not objecting before the House?

The CHAIRMAN. The question is on agreeing to the request for unanimous consent by the gentleman from Alabama [Mr. UNDERWOOD] to limit debate on this section and amendments thereto to 15 minutes.

Mr. COOPER. Then I wish to reserve the right to object.

Mr. UNDERWOOD. I make the request, Mr. Chairman, on the gentleman's amendment, that he may have 10 minutes and the opposition to it 5.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this amendment close in 15 minutes, 10 minutes to be used by the gentleman from Minnesota [Mr. SMITH] and 5 minutes to be used by the opposition. Is there objection?

Mr. COOPER. Mr. Chairman, reserving the right to object, I beg leave to say a word in reply to the suggestion of the gentleman from Alabama [Mr. UNDERWOOD], who has more than once urged the necessity of passing this bill.

Mr. UNDERWOOD. Mr. Speaker, I demand the regular order. That has nothing to do with the proposition.

The CHAIRMAN. Is there objection to the proposition of the gentleman from Alabama? [After a pause.] The Chair hears none. The gentleman from Minnesota [Mr. SMITH] is recognized for 10 minutes.

Mr. SMITH of Minnesota. Mr. Chairman, the object of my amendment is to strengthen and give force and effect to section 11 of the pending bill, which has to do with regulation of hydroelectric projects. I am not at all surprised at the statement of the chairman of the committee [Mr. ADAMSON] that the amendment will be voted down whether there is debate or not, because Mr. ADAMSON and myself hold different views as to what constitutes the paramount features of this legislation. The chairman of the

committee holds that the legislation should be sufficiently liberal to induce capital to invest in such enterprises, which purpose is clearly indicated by the following colloquy that took place at the hearings before Mr. ADAMSON'S committee on April 14, 1914, between Mr. Cooper and the chairman of the committee, to wit:

Mr. Cooper on the stand:

The CHAIRMAN. What is the reason that this will not do? If it is entirely within the jurisdiction of a State, let the State do what it pleases.

Mr. COOPER. I am afraid of any State.

The CHAIRMAN. Suppose that we provide that if the State does not provide adequate legislation that the Government reserve the right to do it and they can not confiscate your property by making the rate too low?

Mr. COOPER. That is all I ask.

The CHAIRMAN. I think we are about of the opinion to do that.

I am not so much concerned about making the bill so liberal that capital will be induced to invest in the enterprise as I am that there shall be an adequate scheme of just regulation for the benefit of the public as well as to prevent the great natural resources from being absorbed—free from efficient public control—by the Hydroelectric Trust. The provision in the pending bill—

That whenever the State in which such current shall be used shall have provided by law adequate regulation for rates, charges, and services to the consumer for such electric current and such regulation shall not be unduly discriminatory or unjust against the service or charges in any other State arising from the use of the power from the same project, and such facts shall be established to the satisfaction of the Secretary of War, then in such cases the provisions of this section—

Meaning the provisions authorizing the Secretary of War to fix rates and charges—

shall not apply to the rates, charges, and services in and for such State—

was evidently inserted with the view of depriving States of their right to control rates, charges, and so forth, and was inspired by Mr. Cooper, or men of his point of view.

Mr. ADAMSON. Mr. Chairman, if the gentleman will permit, I would like to tell him that this section was written before Mr. Cooper appeared before the committee.

Mr. SMITH of Minnesota. Well, it bears the earmarks very strongly of Mr. Cooper's suggestion.

Mr. ADAMSON. That is a good deal of imagination.

Mr. COOPER. I would like to ask the gentleman right there what Mr. Cooper that was?

Mr. SMITH of Minnesota. Hugh L. Cooper, who built the Keokuk Dam.

Mr. COOPER. In view of the question asked, I would like to have it distinctly understood that he is not a relative of mine and that I have no relative connected with this project.

Mr. SMITH of Minnesota. What is the object of the provision which provides that "such regulation shall not be unduly discriminatory or unjust against the services or charges in any other State arising from the use of the power from the same project" unless it is to make the Secretary of War a buffer between the Hydroelectric Trust and the State commissions? Moreover, this view is in line with what Mr. Cooper suggested when he stated that the Hydroelectric Trust was afraid of the State but was not afraid of Congress, and is also in line with the thought of the chairman of the committee when he explained that the committee intended to fix it so that the State "could not confiscate" the property of the trust. If I am correct in my observation, section 11 will accomplish the desired object and the Hydroelectric Trust may appropriate all the water-power resources free from efficient public control, except the control that prohibits the State from confiscating the property of the trust. My amendment is offered with a view to making impossible such a contingency. Control of public-service corporations is by no means new legislation. As early as 1869 Massachusetts had for common carriers the system in operation, and for gas and electricity since 1885. New York and Wisconsin have gained prominence in legislation of this sort. At the present time about 20 States have comprehensive measures designed to curb the power of public-service corporations. These corporations have come to be looked upon as public servants free from all the immunities of private property and subject to regulatory control.

The problem before Congress is the working out of that control on an efficient and equitable basis. This task should not be difficult because the States have blazed the way and Congress itself has passed one of the most efficient and comprehensive measures on the subject ever placed on the statute books of any State or nation. I have reference to the interstate-commerce act, which was the product of many sessions and many minds. No law in the history of the world has stood the test against such powerful, bitter, and resourceful enemies as the Sherman antitrust law. There are certain well-established and indispensable features in the Sherman law, as well as in nearly all the State laws on this subject, and strange as it may seem, those universally recognized cardinal principles necessary to efficient regulation are not incorporated in the committee bill.

The Secretary of War, who has control under the pending bill, is not required to keep informed as to general conditions and service of hydroelectric projects under his jurisdiction and has no express power of examination to ascertain the same; neither has he power to compel the attendance and testimony of witnesses, the production of books and papers, and to enter upon the property for the purpose of investigation; no power to proceed upon his own motion to investigate the rates, quality, standard, adequacy, and security of any hydroelectric project, or of any act done or omitted to be done by such utility company contrary to law or to any order which he may make; no power to make an examination or investigation in case of accidents. He is not required to provide for a comprehensive classification of service and to insist upon each public utility conforming to such classification. He is not required to compel adequate service and just and reasonable rates; no power to insist that before a change in rates or service can be made that he must approve the same; has no power to insist that the accounts, papers, and information in the possession of public-service corporations must be opened for inspection by himself or his duly authorized agents; has no power to require a uniform system of accounting; has no jurisdiction or power over the issue of stock or bonds; is not required or authorized to value property of projects; there is no provision authorizing a rehearing or providing that if a rehearing is had it shall not stay the operation of his order; he is not authorized or required to compel electric companies to make uniform reports showing capitalization, financial transactions, receipts, expenditures, dividends, salaries and wages, location and description of its property, and such other facts as he might deem necessary; there is no provision for court review or appeal from the decision of the Secretary.

The object of my amendment is to supply these well-recognized essential features so indispensable to any system of efficient regulation. The first paragraph of my amendment, which reads as follows—

That all charges, rates, and services by any grantee or lessee hereunder, or connecting company engaged in the transmission and sale of power and electric current generated by any project subject to the provisions of this act, shall be reasonable, adequate, without discrimination, and subject to the regulation of the Secretary of War—

provides that connecting companies, such as the Mississippi Power Distributing Co., located within a few miles of St. Louis, will be under the control of the Secretary of War as effectively as the original project, thus extending the power to regulate rates and service over subsidiary companies and connecting companies. If some such feature as this is not adopted the grantee can escape regulation through connecting and subsidiary companies.

The second paragraph provides that the Secretary of War is authorized and empowered—

to prescribe and examine reports and systems of accounts, books, and other records, establish standards and make tests of service, control the issue of stocks and bonds of corporations engaged in the generation, transmission, or sale of such hydroelectric product, and require them to submit statements of all costs of property, production, distribution, sale, and use of products, subject to such grant or lease and connected with such project, furnishing such information on oath or by witness or in such form and upon such blanks as the Secretary of War may order and require; and on the complaint of any State, municipality, or consumers affected thereby, after full hearing thereon, the Secretary of War is empowered to determine and prescribe the maximum rates to be charged, based on fair and reasonable returns on the valuation of the property and cost of operation, and ascertain and order the requirements of service to be rendered; and in case of any violation of such orders of the Secretary of War or the refusal of such grantee or lessee to give the Secretary of War or his agent full access to its property and records, the provisions of the act relative to forfeiture and failure to comply shall apply.

This paragraph of the amendment provides for a system of regulation such as has been worked out and adopted after years of experience and study by the States and the Nation covering the general subject of supervision of accounts, reports, service tests and standards, control of stock and bond issues, to compel witnesses to attend and testify, right of an individual, State, or municipality to demand a hearing, method of determining value of property as basis for rate making, full access to property and records, and an effective method of enforcing the regulation.

The third paragraph of the amendment is as follows:

That when a State in which such water power and electric current is used shall notify the Secretary of War of the passage of laws and the perfecting of administration to efficiently provide for such regulation of rates, charges, and service within such State and its municipal

subdivisions the regulations of the Secretary shall not apply to local and intrastate business therein.

Thus the Secretary is to refrain from exercising control over rates and charges affecting local and interstate business when the State notifies him that the State is ready to take over the control. The provision in the committee bill relating to this subject is unique and far-reaching in its attempt to supplant control by the States.

The Secretary of War, endowed with paternalistic power, may grant to the States, if he is so disposed, after being fully satisfied that it is the part of wisdom so to do, the privilege of regulating their own internal affairs in respect to rates, charges, and service to the consumers for such electric current. Not since the days of George III has there been so flagrant an attempt to delegate to an individual or a number of individuals the right to pass upon the wisdom or adequacy of ordinances and laws passed by the people for the regulation of their local affairs as is attempted in the committee bill. It has been the policy of this country ever since 1776 to permit the people themselves to judge of the adequacy and justness of the laws of their making. It is fortunate indeed for the people of the United States at this juncture, when the entire water resources of the 48 States and the Nation at large are at stake, the potential income of which may reach hundreds of millions of dollars per annum for generations to come; it is fortunate, I say, that we have in this Nation an official who is eminently and signally competent not only to regulate hydroelectric lightings in their countless public-service ramifications throughout the length and breadth of the greatest empire on earth, but likewise to review the laws and constitutions of these States and determine that which is nondiscriminatory, adequate, just, safe, and sane.

The fourth and last paragraph of my amendment provides—

That when the power generated by such project enters both interstate and intrastate commerce the Secretary of War is authorized to join with any State in which such power is used in effecting such joint and interlocking system of Federal and State regulation as in its judgment shall most effectively promote general public interest and carry out the purpose of this act.

Without some such provision providing for a system of Federal and State regulation any attempt to regulate hydroelectric projects would be of but little value, since most hydroelectric projects involve both interstate and intrastate business. The physical combination of plants, which is permissible under this bill, together with the ability to transmit current from individual plants from 200 to 300 miles, enables hydroelectric projects to combine and distribute electric current over an area of at least 100 000 square miles. Therefore, in order to have efficient regulation, the Federal and State jurisdiction must be joint and interlocking or there will be a twilight zone of no regulation. The objection that I have to section 11 is that it is not sufficiently broad and comprehensive to effectively regulate hydroelectric current. The regulation provided for in the committee bill in respect to this particular feature of the subject might be ample if it were simply to apply to steam, which can not be transmitted but a short distance, hence offering no incentive to combine steam plants into great systems such as the power of transmission of electric current enables hydroelectric projects to economically combine and assist each other and to extend their operations in many cases over three or four States.

Mr. ADAMSON. Mr. Chairman, I desire that the gentleman from Oklahoma [Mr. FERRIS] may have five minutes.

Mr. FERRIS. Mr. Chairman, I shall not pretend that the amendment of the gentleman from Minnesota [Mr. SMITH] is without some value, for no doubt it has good things in it, and no doubt its purposes are well founded and well intended. But we have modified this bill to a marked degree in several instances. In the first place, we have provided that a charge shall be paid. In the second place, we have amended the bill so that there is a 50-year term, and no more. In the third place, we have modified the recapture clause until, in my judgment, it is quite sufficient; and now to accept carte blanche a two-page document to serve as an amendment to one of these sections is more than I think the friends of the bill who want legislation ought to accept.

I think the section as prepared is pretty well arranged. It has been carefully considered by the committee, and in any event no one can grasp the purport of the amendment offered. It has not been printed. Few, if any, Members have seen it. It is too much to expect that it should be accepted.

Mr. SMITH of Minnesota. Will the gentleman yield for a question?

Mr. FERRIS. I do.

Mr. SMITH of Minnesota. What does the gentleman consider the first or principal section in this bill?

Mr. FERRIS. There are several. The term is perhaps the most fundamental of all of them, and the next is our ability to get the property back, and perhaps the third is the charge, or what is known as the Sherley amendment. The fourth would perhaps be regulation, and after a higher state of development it may be advanced to first importance.

Mr. SMITH of Minnesota. Has the gentleman ever thought that the recapture of the project is postponed for 50 years, and that we and our children will get no benefit of that; but if you have proper and suitable regulations you and I will get the benefit of it now? That is the object of this amendment.

Mr. UNDERWOOD. I do not think the gentleman really conceives the proposition of the gentlemen on the other side. A very distinguished gentleman on the other side of the House the other day announced that real conservation was refrigeration. Now, if the gentleman will accept the amendment of the gentleman from Minnesota [Mr. SMITH], we shall have real refrigeration.

Mr. FERRIS. Mr. Chairman, for one I do not desire to accept the amendment of the gentleman from Minnesota; neither do I desire to accept any amendment that will make this bill unworkable. Surely those who feel keenly the public interest ought not to accept amendments that will make this bill totally unworkable. I know that those who have had the public interest in mind in this and other legislation have had it charged against them that the only thing they desire to do is to tie up things so that they can not be used. I contend for those who feel about conservation as I do that no such thought is intended, no such result contemplated, and I believe that the highest form of conservation is the highest form of use in the public interest; but I do not want to get into that general subject.

Mr. ADAMSON. This is for regulation.

Mr. FERRIS. This has to do with regulation, and whether this section of the bill is all that it should be or not I am not this moment prepared to say; but this is not the last word on the question. This bill will go to the Senate and will probably be rewritten in toto, and we will probably again in this House examine it section by section in toto. To accept an amendment now which may or may not contain duplications of other sections would be more than the real friends of this legislation ought to stand for. I do not want this bill destroyed. No one who has the interest of the country at heart wants the bill destroyed. Neither do I want the progress and development of water-power legislation arrested. It is one of the biggest questions in the field to-day. It is a question not too large for our best thinkers. At the end of 50 years the water-power question will be bigger than Standard Oil or any other fuel question, because the water power is not destroyed as the water runs over these dams. The water power is not consumed like coal and oil and other fuel, but it goes on forever. So we ought all to be exceedingly careful of what we do here to-day. At the same time we ought not to accept any amendment which will make this bill a pile of rubbish and will send it to the Senate as such, and absolutely override the good work that has been done on this bill. I want it a good bill; I want it to pass. I do not want to accept undigested amendments which may weaken the bill.

I hope the amendment will not be agreed to. [Applause.]

The CHAIRMAN. The question is on the amendment of the gentleman from Minnesota [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Minnesota) there were—ayes 19, noes 31.

Accordingly the amendment of Mr. SMITH of Minnesota was rejected.

Mr. STEVENS of New Hampshire. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from New Hampshire offers an amendment which the Clerk will report.

The Clerk read as follows:

Amend section 11 by adding a new paragraph at the end thereof to read as follows:

"The Secretary of War shall have the right to provide rules and regulations for uniform accounting, to examine all books and accounts of grantees under the terms of this act; to require them to submit statements, representations, or reports, annual or special, including full information as to assets and liabilities, capitalization, cost of project, cost of operation the production, use, transmission, and sale of power. All such statements, representations, and reports shall be upon oath unless otherwise specified, and in such forms and on such blanks as the Secretary of War may require; and any person making any false entry, statement, representation, or report under oath shall be subject to punishment as for perjury."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire.

Mr. ADAMSON. I have no objection to that amendment. I think it is a good one.

Mr. SMITH of Minnesota. Mr. Chairman, I move to strike out the last word.

Mr. ADAMSON. Can we not dispose of this amendment?

The CHAIRMAN. If the gentleman from Minnesota is willing. The gentleman is entitled to five minutes on this amendment.

Mr. ADAMSON. If debate is desired, I should like to get some agreement as to time. I thought when we agreed to the amendment we would get rid of the talk.

Mr. SMITH of Minnesota. Mr. Chairman, I am glad to see this amendment offered. In a measure it covers what I sought in my amendment. It does not go quite as far, but I believe it will be beneficial to the bill to have it adopted. I do not think it will add to the rubbish of the bill, as suggested by our distinguished friend from Oklahoma. I do not believe that any Member of this House is going to lumber up a proposition of such great magnitude and of such great importance to this country with rubbish or anything that is going to affect the bill detrimentally. But, on the other hand, I do believe that the membership of the House is desirous of getting the best bill possible, and if they will use their patience and a little mutual respect for each other's opinions, we will be able to draft and pass a bill that will be a credit to this House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire [Mr. STEVENS].

The question was taken, and the amendment was agreed to.

Mr. THOMSON of Illinois. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amend page 13 by striking out lines 6 to 22, inclusive.

Mr. THOMSON of Illinois. Mr. Chairman, section 11, beginning on page 12, gives the Secretary of War certain rights and powers in the way of regulation in all cases where electric current enters into interstate commerce. Over in the portion of the section that I move to strike out it says that the Secretary may incorporate that power as a condition to the grant in connection with the original approval. Then it goes on to say that wherever the State in which such current shall be used shall provide by law adequate regulation he shall not have that power. It seems to me that would mean that if the electric current entered into interstate commerce and was used in two or more States and each one of those States complied with the last part of the paragraph, which I move to strike out, the Secretary of War would have no power in the way of regulation of rates, and the result might be that one company would generate power used in two or three adjoining States where one State might have one rate and another State another. I believe if this paragraph goes out the Secretary of War will have full power, as given in the first part of the section, to regulate these rates and the power that he ought to have.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was lost.

Mr. FOWLER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Wherever the words "Secretary of War" occur in section 11 strike the same out and insert in lieu thereof the words "Interstate Commerce Commission."

Mr. FOWLER. Mr. Chairman, I am aware that if my amendment is agreed to it would require a change in other sections of the bill to correspond with the proposed amendment. I feel, Mr. Chairman, that this bill, if passed with the powers now vested in it, will practically organize a court for the purpose of passing upon not only the feasibility of the construction of dams, but the letting of the same, and it will take in also the idea of regulation. In order to regulate you must have a hearing, and in order to have a hearing you must have a decision on the hearing, and that is practically a court.

I do not believe that anyone desires in anywise whatever to curtail the power of the Secretary of War. I have no such desire, but for my own part I never could see why the navigable rivers of the country should be placed under the War Department. It would be more practical to have them under the Navy Department, because the Navy primarily deals with water, although corporations sometimes deal with water.

If we pass this bill there will be the greatest reason for fixing and regulating the charges of the various businesses operated by hydroelectric power. There will be the greatest necessity of having an independent body to pass upon that question, the same as is done now with railroad rates, so that the people can get a fair opportunity to present the equities that may arise.

For that reason I have no doubt in my mind but that the Interstate Commerce Commission, the greatest independent body now in existence, should be designated for the purpose of taking charge of this whole question of regulating rates, letting contracts for dams, and supervising the application of electric energy to municipalities, corporations, and individuals. It is not going to be a little affair. We all know that. We realize that in the future there is probably going to be the greatest demand for hydroelectric power of any power known to man. I believe it will be the most useful as well as the most profitable; in fact, I believe it is going to spread out over the entire business world and become the motor power, not only for driving wheels on rivers and on railways, but it is going to be able to drive wheels in the production of the finished product. It will not only do that, but it will drive wheels to produce the raw material. I believe that the farmer in the near future will be bidding for this hydroelectric power for the purpose of producing wheat and corn and other cereals that we stand so much in need of. If that is true, then we ought to have it placed in the hands of some independent body where the rights of the people can properly be taken care of.

Mr. HULINGS. Mr. Chairman, I move to strike out the last word. I desire to ask the chairman of the committee a question. Is there anything in this bill that provides for regulation in the case where a company is organized under the bill to produce electric energy and then a subsidiary or other company is a purchaser of that energy and purveys it to the consumers? Is there anything in the bill to give the Secretary of War the power of regulation over the charges which the subsidiary company may impose upon the consumer?

Mr. ADAMSON. My idea is that section 11 gives the Secretary of War control of the situation. If they undertook a subterfuge through a subsidiary company, I think it would be detected and thwarted.

Mr. HULINGS. Suppose it sold it to your company and you had a company for the purpose of purveying energy, has the Secretary of War any right under this bill of regulation of charges which you may impose? I do not believe it is in this section.

Mr. ADAMSON. I think he would have that power over it.

Mr. THOMSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HULINGS. Yes.

Mr. THOMSON of Illinois. Mr. Chairman, I think the first lines of section 11 would answer the question of the gentleman from Pennsylvania, and it seems to me those lines indicate that if this electricity is generated from any of these water-power projects, it could be controlled.

Mr. HULINGS. I wondered if it would.

Mr. ADAMSON. That was the opinion of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FOWLER].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 12. That the grantee shall commence the construction of the dam and accessory works within one year from the date of the approval herein provided, and shall thereafter, in good faith and with due diligence, prosecute such construction, and shall, within the further term of three years, complete and put in commercial operation such part of the ultimate development as the Secretary of War and the Chief of Engineers shall deem necessary to supply the reasonable needs of the then available market, and shall, from time to time thereafter, construct such portion of the balance of such ultimate development as said Secretary of War and Chief of Engineers may direct and within the time specified by said Secretary of War and Chief of Engineers so as to supply adequately the reasonable market demands until such ultimate development shall be completed; and extensions of the periods herein specified, not to exceed two years, may be granted by the Secretary of War, on recommendation of the Chief of Engineers, when, in his judgment, the public interest will be promoted thereby. In case the grantee shall not commence actual construction within the time herein prescribed, or as extended by the Secretary of War, then the authority as to such grantee shall terminate, and in case any dam and accessory works be not completed within the time herein specified or extended as herein provided, then the Attorney General, upon the request of the Secretary of War, shall institute proper proceedings in the proper district court of the United States for the revocation of said authority, the sale of the works constructed, and such other equitable relief as the case may demand, as provided for in section 8 of this act.

Mr. THOMSON of Illinois. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amend, page 14, line 3, by adding, after the word "shall," the following: "within such times as the Secretary of War and the Chief of Engineers shall prescribe."

Mr. ADAMSON. Mr. Chairman, I accept the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. RAINEY. Mr. Chairman, as the committee seems willing to accept all amendments, hoping that the Senate will make a good bill out of this, I desire to call the attention of the com-

mittee to the fact that in line 3, on page 15, the bill refers to "section 8" of the bill. In remodeling this bill, in clipping from the water-power bill introduced in the Senate, and sticking the parts so clipped into the general dam bill, as they do right along, they did not even take the trouble to change the number of the section. There is no section "8" in this bill that this could possibly relate to, but there is such a section "8" in the Rome G. Brown bill—the bill approved also by the other water-power lawyers in this country, which has been so liberally adopted in these italicized amendments here. I want to suggest to the committee, if it is not too late now, inasmuch as the paste-pot method of making this bill has resulted in this absurdity, that they make some change here now.

Mr. ADAMSON. Mr. Chairman, I will ask the gentleman from Minnesota [Mr. STEVENS] to reply to that most chaste and eloquent speech.

Mr. STEVENS of Minnesota. Mr. Chairman, the gentleman from Illinois is right in that it should be section 7 instead of section 8. The committee did make several changes, and did have several bills before it, and we adopted as we supposed the best efforts of every one. But, Mr. Chairman, I think that statement comes in ill grace from a Member who has made statements on this floor, nearly every one of which has been inaccurate, as is proved by the official RECORD of this Government. Practically every statement made——

Mr. RAINEY. Will the gentleman call attention to some of them that are inaccurate?

Mr. STEVENS of Minnesota. Yes; the statement that the Keokuk Dam had not been inspected. It was inspected all of the time.

Mr. RAINEY. I made no such statement.

Mr. STEVENS of Minnesota. The RECORD shows it, and the people on this floor heard it.

Mr. RAINEY. You will find no such statement.

Mr. STEVENS of Minnesota. Hold on——

Mr. ADAMSON. Mr. Chairman, before the gentleman from Illinois repeats that error again, I want to state right here that I never saw this "Jerome Brown," or whatever his name is, in my life, and I do not know who he is, and I do not care.

Mr. RAINEY. This is taken from his bill.

Mr. ADAMSON. I do not believe that.

Mr. STEVENS of Minnesota. Mr. Chairman, the bill that came from the Senate, as I have informed the House, was sent to me by the senior Senator from the State of Minnesota, Senator NELSON, a man who needs no commendation from me or anyone else who knows his record in this House and in the other House. He has been the chairman of the Committee of the Senate on Public Lands and the chairman of the Committee on Commerce, and he has given more study to and knows more about this general subject of water-power development than any man in this Congress. And when he sends me a bill I give it the greatest credence and utmost thought. He sent the bill to me, and I am very glad to have adopted some clauses in it, and I am very glad to assume the responsibility and to place it. Senator NELSON, no doubt, can answer for himself, and he needs no defense against the statement of the gentleman from Illinois [Mr. RAINEY], whose record is shown in this debate.

Mr. ADAMSON. Mr. Chairman, if that is an error, I think it ought to be corrected.

Mr. STEVENS of Minnesota. It is an error.

Mr. ADAMSON. How should it be corrected?

Mr. STEVENS of Minnesota. I move that we substitute "7" instead of "8."

Mr. RAINEY. Mr. Chairman, I have made certain statements with reference to the Keokuk Dam. I call attention to this paragraph of this bill and to the erroneous insertion here of section "8." The bill the gentleman clipped these sections from—and this is not the only section he clipped—is the bill that meets with the approval of Mr. Rome G. Brown and all of these other water-power lawyers. Twelve of them started out by attending these sessions and by smiling approval down from this gallery when we started considering this bill. They have all gone now, because the policy is to pass this on up to the Senate and let the Senate make a bill. The statements I made with reference to the Keokuk Dam are these: That without authority of law the Secretary of War permitted the erection of piers in order to build a bridge——

Mr. STEVENS of Minnesota. Mr. Chairman, the fact is that there never was a bridge built. That is one of the gentleman's inaccurate statements.

Mr. DONOVAN. Mr. Chairman, a point of order. The gentleman from Minnesota has not the right to take the floor and inject remarks without the consent of the Chair or the gentleman who is addressing the Chair.

Mr. RAINEY. The gentleman answers that by saying that no bridge has been built.

Mr. DONOVAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. DONOVAN. I have stated it, that the gentleman from Minnesota has no right to inject remarks without the consent of the Chair.

The CHAIRMAN. The point of order is well taken. The gentleman from Illinois is recognized.

Mr. RAINEY. The gentleman answers by saying that no bridge has been built. That is his way of begging the question. Of course no bridge has been built there; I did not so state and I have never made that statement, but the piers stand there 175 feet apart, a menace to the navigation of the river. Without any authority of law they have been erected there because this company building this dam wanted to build them. Now, they are there to-day, and the gentleman will not deny that. They are there, and they are asking now his own committee for permission to build a bridge across those piers, and the bill is pending before his committee, and the gentleman will not deny that.

Mr. STEVENS of Minnesota. Will the gentleman allow me to ask him a question?

Mr. RAINEY. Does the gentleman deny that statement?

Mr. STEVENS of Minnesota. Not by that company, but by the citizens of Keokuk. They are the ones who are asking this permission, not this company.

Mr. RAINEY. Oh, the gentleman finds that way of getting out of his expressions.

Mr. KENNEDY of Iowa. Will the gentleman yield?

Mr. RAINEY. No; not for the present. I am not representing the Keokuk Dam Co. upon this floor; I am representing the taxpayers of Illinois; I am representing the people of Illinois who are being oppressed by this company, and that is my reason for speaking here against it. I called attention to the fact that they have impounded water there in the nighttime so as to interfere with the navigation of this river, and I produced here letters from the steamboat companies to prove that they had impaired the navigation of the river below the dam. Now, those two statements have been admitted by the gentleman and he admits that from this water-power bill to which I called attention he took this clause and did not even revise it enough to correct this section number. He admits all these things, and yet he gets up on the floor and says every statement I have made is false and is not sustained by the facts.

I can not understand the mental processes of the gentleman from Minnesota when he makes these charges, in view of the fact he has just admitted everything I stated in regard to the Keokuk Dam. The statements I have made are facts and can not be denied by him or anybody else. The evidence taken by his own committee shows the facts to be as I have stated. But the objection has been frequently made during this debate that we are not legislating for Keokuk, but for the whole country. What has been done at Keokuk can be done anywhere in this country. When you remedy conditions at Keokuk you make impossible those conditions elsewhere.

[Mr. BURNETT addressed the committee. See Appendix.]

Mr. MANN. Mr. Chairman, some time ago a gentleman representing a bridge company—I believe it was the Carnegie Bridge Co., although I am not sure of the name of it——

Mr. STEVENS of Minnesota. It is owned by Carnegie.

Mr. MANN (continuing). Called upon me to make objection to the construction of a bridge by the Keokuk Power Co. and explained to me that, while his bridge company had been in the past unwilling to reconstruct and make a proper bridge, and that they had a good deal of a rattletrap of a bridge, they were very much opposed indeed to letting the Keokuk Power Co. construct a bridge, which would be a modern, up-to-date bridge, and which would put them out of business. I did not know anything about the situation, and I do not know any more now. But all of the statements which my friend and colleague from Illinois [Mr. RAINEY] has repeatedly made on the floor of the House were made to me at that time by this gentleman representing this old rattletrap bridge.

Now, my friend from Illinois [Mr. RAINEY] says that he does not represent the Keokuk Power Co., and I do not believe that he does, and I do not believe that he represents the bridge company, but I suspect that very much of the information which has been furnished to him has been furnished to him in the interests of the bridge company and for the purpose of

saving the Carnegie bonds, if they are still owned by Carnegie, of the bridge company, which would be rendered useless and valueless if another bridge were built at that point.

Mr. RAINEY. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. RAINEY. I say to my colleague that the information that these piers are dangerous and only 175 feet apart and imperil steamboats on the river was furnished me by numerous letters received from the steamboat companies operating on the river. I do not care how many bridges they put there, or piers that they build, if Congress consents to it, but this body will never agree that piers be erected there in the fore bay that will imperil navigation on the river.

Mr. MANN. There is no doubt whatever that this bridge company in the effort to protect its own special interests and to maintain a monopoly of transit by bridge at that point over the river has been very active in every direction, and included in these directions it has been very active with the shipping interests, or the steamboat interests, on the Mississippi River. You can send out a letter to-day addressed to the captains of the steamboats anywhere in the world in reference to some particular thing by which they pass and get a practically unanimous opinion on their part either for or against something, whichever way you happen to write the letter. I do not know whether the navigation interests there have been interfered with or not. I know there are not enough navigation interests on that part of the Mississippi River to cut much ice one way or the other. But I hope that out of this the people there will be given a decent bridge, either by giving the Keokuk company a right to build a bridge or enforcing the Carnegie right to build a bridge.

Mr. KENNEDY of Iowa. Mr. Chairman, I move to strike out the last two words. I want to confirm the statement made by the gentleman from Minnesota that in the speech made by the gentleman from Illinois [Mr. RAINEY] when this bill was up under general debate he did not make one statement of fact, amongst all the statements he made, in regard to the development of the water power at Keokuk. The gentleman seems to have changed front since two years ago. On this floor then he made the statement that this Mississippi River Power Co. was disposing of about a one-thousandth part of its power to St. Louis, for which it was receiving sufficient return to mean a fair return on the entire investment. It was a bonanza at that time. In his speech the other day he went on to say it was merely a bubble; that this company had faked the investing public, and to prove that he printed a letter from the Chief of Engineers in which he quoted from a letter received from Maj. Hoffman, in charge of the river improvement in that territory, stating that they could develop 77,000 horsepower in low water without storing water. But the gentleman failed to state that only half of the power is developed at the present time, and only 15 of the 30 turbines are installed; and the statement made by Maj. Hoffman is not at all in conflict with the statement made by the water power company, that they can generate 200,000 delivered horsepower. The gentleman also made the statement that this power company was building a bridge or assumed to build a bridge without any authority from Congress or anybody else. As a matter of fact, the War Department held that under the bridge charter, in that clause providing for building appurtenances to the dam, they were permitted to build a bridge for their own use, to get material back and forth from the power house. They put the piers in while the cofferdam was there, so that water did not interfere. They never claimed that they had a right to build a bridge for interstate commerce.

The War Department never claimed they had any such privilege, and I propose to print, if I am permitted to do so, a statement to that effect from the War Department. As a matter of fact, I introduced a bridge bill known as the "Intercity bridge bill." I did it at the request of the Intercity Bridge Co., made up of citizens of Keokuk and Hamilton, business men who were interested in the development of that territory.

Mr. RAINEY. Mr. Chairman——

Mr. KENNEDY of Iowa. Mr. Chairman, I decline to yield. I absolutely know that the members of this Intercity Bridge Co. labored for months and months with the water-power company to get the privilege, if they could get a franchise from Congress, to use that dam as a bridge. And they hung out for months and months, but finally did give in at the urgent request of this Intercity Bridge Co., which was made up of citizens of those two cities interested in better bridge facilities.

The gentleman from Illinois, in his talk in the general debate on this subject, said that he had written to 104 boat companies that operated on that part of the river. If the gentleman had made any investigation at all, he would have found there are only three boat companies that operate on that reach of the river centering at Keokuk, namely, the Streckfus Line, the Wisherd Line, and the Blair Line. The Streckfus Line operates three boats from St. Louis to St. Paul; the Blair Line operates one daily packet from Keokuk to Quincy and one from Keokuk to Burlington; the Wisherd Line runs an excursion boat. That is the extent of the 104 boat companies which the gentleman claims he was in correspondence with.

And he also states that the building of the dam has very seriously interfered with navigation below the dam. I have it from the War Department that there has not been one single complaint this summer from the navigation interests with respect to the matter.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. KENNEDY] has expired.

Mr. KENNEDY of Iowa. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. The gentleman from Iowa [Mr. KENNEDY] asks unanimous consent to proceed for two minutes more. Is there objection?

Mr. ADAMSON. I am not going to object, Mr. Chairman, but every particle of this debate is contrary to the rule. I think we ought to have a vote as to whether we shall substitute "7" for "8," but I shall not object to my friend continuing.

Mr. KENNEDY of Iowa. Mr. Chairman, there was some little difficulty when they first got to storing water above the dam, but it lasted only for 10 days or 2 weeks, and that was last summer. Since then there has not been a word of complaint received from the navigation interests, and the Chief of Engineers has made a statement in his memorandum to the Secretary of War bearing on this subject which I will insert if I am permitted to. It absolutely disproves the statement made by the gentleman from Illinois [Mr. RAINEY] that the policy of storing water will interfere with navigation in any degree.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD. [Applause.]

The CHAIRMAN. Everyone has the privilege of extending his remarks in the RECORD.

Mr. ADAMSON. Mr. Chairman, I ask for a vote on my amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia [Mr. ADAMSON].

The amendment was agreed to.

Mr. STEVENS of New Hampshire. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New Hampshire [Mr. STEVENS] moves to strike out the last word.

Mr. ADAMSON. Mr. Chairman, can we not come to an agreement about limiting the debate?

Mr. STEVENS of New Hampshire. I make that motion, Mr. Chairman, in order to make some general remarks.

Mr. ADAMSON. Oh, we have had general remarks for two weeks. I hope we can get along.

Mr. STEVENS of New Hampshire. There have been certain phases of this bill that have not been discussed for a moment, and the gentlemen in charge of this bill evidently do not care whether it is discussed or not, because they are relying on the Senate committee to put the bill into shape. But I say there are a few phases of this bill that ought to be discussed, and I want to discuss them.

Mr. ADAMSON. Mr. Chairman, the gentleman has repeated an erroneous statement, gratuitously made by the gentleman from Illinois [Mr. RAINEY], that there is no foundation for. I stated that I wanted to get through the best bill I could. I have stated that when it gets to the Senate I do not intend to agree to anything that will not be satisfactory and does not promise to be permanent. It would be foolish to do anything else. I want to get the bill through the House in the best shape I can, and when it goes to the Senate and goes into conference I do not intend, if I am on that conference, that there shall be a bill agreed upon that will be so imperfect or unsatisfactory that people will seek to amend it at every session of Congress subsequently because they are not satisfied with the bill. I want progress, not a constant row; and when the wisdom of the House and of the Senate has perfected a bill in the conference committee that will be satisfactory to all concerned, then we shall have progress; and no matter how badly the gentlemen feel, or how mean they feel toward anybody, they are badly mistaken in making any such gratuitous charges about it.

I say I would like to hurry this bill through, because we have been at it for six weeks. I have no disposition to cut off the gentleman from New Hampshire [Mr. STEVENS]. I have always shown him every courtesy and given hi mevery opportunity to offer amendments or engage in debate, and I ask that the debate be limited to five minutes.

Mr. STEVENS of New Hampshire. Mr. Chairman——

Mr. UNDERWOOD. Mr. Chairman, reserving the right to object——

Mr. STEVENS of New Hampshire. I am not asking for unanimous consent. I moved to strike out the last word.

The CHAIRMAN. The gentleman from New Hampshire did move to strike out the last word.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this section close at the end of five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. FOWLER. Mr. Chairman, reserving the right to object, I have one matter——

Mr. SMITH of Minnesota. I object, Mr. Chairman.

Mr. DONOVAN. Who made the objection?

The CHAIRMAN. The gentleman from Minnesota [Mr. SMITH].

Mr. DONOVAN. Did he rise to his feet?

The CHAIRMAN. He did.

Mr. DONOVAN. Mr. Chairman, I make the point of order that there is no quorum here.

Mr. STEVENS of Minnesota. Oh, let us go on.

Mr. DONOVAN. No; I make the point of order that there is no quorum here, Mr. Chairman. If you are going to apply one rule, you want to apply them all.

The CHAIRMAN. The gentleman from Connecticut [Mr. DONOVAN] makes the point of order that there is no quorum present.

Mr. DONOVAN. Mr. Chairman, I will withdraw the point of order.

Mr. NORTON. Mr. Chairman, I object.

The CHAIRMAN. The gentleman can not object to a withdrawal.

Mr. MANN. I renew the point of order, Mr. Chairman. I will do so whenever the gentleman from Connecticut makes it. [Laughter.]

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] renews the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and one Members are present, counting the Chair—a quorum. The Clerk will read.

Mr. STEVENS of New Hampshire. Mr. Chairman, I believe my motion to strike out the last word was pending before this interruption?

The CHAIRMAN. Yes. The gentleman from New Hampshire [Mr. STEVENS] moves to strike out the last word.

Mr. STEVENS of New Hampshire. Mr. Chairman, I think the chief objection against the amendments that have already been adopted to this bill is that no capital will go into these projects if the bill provides for compensation for a fixed term and limits the recapture of the property to the actual value of the property necessary to develop the franchise and not the value of the property that might use the power, and fixes the basis on which the Government would pay. This is a question of opinion, and I will admit that——

Mr. ADAMSON. Mr. Chairman, I make the suggestion to my friend from New Hampshire that all the questions stated by him have been passed upon by the committee; that we have accepted all of them; that we accede in good faith to all of them and expect to stand by them. Under those circumstances, I do not see any use to debate them again.

Mr. STEVENS of New Hampshire. I said I wanted five minutes for the purpose of making some general remarks on this dam bill. That is the reason I asked for the five minutes.

Mr. ADAMSON. Well, I do not object.

Mr. STEVENS of New Hampshire. I do not put my opinion, Mr. Chairman, as to what capital will do or will not do against the opinion of other gentlemen on the committee. I have my opinion. I believe that capital can be induced to develop these plants under a bill containing these amendments where there is a legitimate demand for a project and where they are not purely speculative; and in order to combat the opinion that it will not, I wish to present a few concrete facts. Several times during this debate reference has been made to the development of water power on the Connecticut River, which has been held up because Congress refused to take action. As a matter of fact, the company interested in that project—which was backed by the Stone-Webster people, one of the big water-power groups that know what they are about—accepted a bill which provided compensation to the Government for the franchise.

They accepted a bill which limited the recapture clause to the property actually used in the development and transmission of power, and to no other property, and one that limited very carefully the basis or value upon which the Government was to pay for that property. I wish to make as a part of the RECORD the Senate bill 8033 and the minority report on that bill, which contains a letter from the Secretary of War saying that this power company was willing to accept a bill with these provisions.

That bill is very similar to this bill, with the amendments that we have adopted, so that as a matter of fact we know that in one project, at least, capital was willing to go in under the terms that we think they ought to go in under. And, further than that, it appears in President Roosevelt's veto message of the James River power bill that the people back of the Rainy River project also stated in writing to the Secretary of War that they were willing to accept a bill which should provide for compensation to the Government for the franchise, and which should provide strict regulations about the termination of the charters.

So, as a matter of fact, there are practicable projects which capital will go into, even limited as this bill is limited. Mr. Chairman, I desire also to include in my remarks a report of the minority on water power of the National Conservation Association, including the resolution that was adopted by the convention; also an article published in the Christian Science Monitor of Boston, which contains a very careful comparison of the original Garrison bill, the committee bill, and the Ferris bill. I wish to have these made a part of my remarks.

The CHAIRMAN. If there be no objection, the pro forma amendment will be considered as withdrawn. The gentleman from New Hampshire asks unanimous consent to include as a part of his remarks the documents he has stated. Is there objection?

Mr. JOHNSON of Washington. What conservation report does the gentleman offer to print?

Mr. STEVENS of New Hampshire. The minority on water power of the National Conservation Association, held December 10, 1913, at Washington. It is a report signed by Henry L. Stimson, Joseph N. Teal, and Gifford Pinchot. It contains some very interesting facts—not theories, but some very interesting facts—about the development of water power and the concentration in the hands of a few people of the water power of the country.

The CHAIRMAN. Is there objection?

There was no objection.

The documents referred to are as follows:

NATIONAL CONSERVATION ASSOCIATION,
COLORADO BUILDING,
Washington, D. C., December 10, 1913.

The following statements show the recent progress made toward the conservation of the public water powers. They comprise the report of the minority of the water-power committee of the Fifth National Conservation Congress, signed by Henry L. Stimson, Joseph N. Teal, and Gifford Pinchot; the resolution of the congress on water power; and a statement of principles indorsed by the congress for the development of the water powers in public ownership:

REPORT OF THE MINORITY ON WATER POWER.

1. CONCENTRATION AND DEVELOPMENT.

The central fact in the water-power situation of to-day in concentration of control. Ten groups of power interests control 65 per cent of all the developed water power in the United States. Some of these groups are still further related through interlocking directors between the groups themselves. The reality of these groups is established by interlocking officers and directorates and by ownership of stock, which are the tests of relationship adopted and applied by the United States Bureau of Corporations.

But the rapid growth of concentration and control is even more striking than the amount of it. Two years ago the 10 greatest groups of water-power interests controlled, in round numbers, 3,270,000 horsepower developed and undeveloped. To-day the 10 greatest groups control 6,270,000 horsepower. Thus the amount of concentration has nearly doubled in two years.

The central need as to water power in the United States is development on terms fair both to the public and to the power interests. But the passage of water powers into private control may imply development or it may not. Has water-power control or water-power development been the chief object of the power interests? The following figures appear to answer the question:

The water powers which are held undeveloped by the 10 greatest groups are larger by about one-third than the developed water powers controlled by them. But still more striking is the increase in the last two years of controlled powers held undeveloped compared with developed water powers.

In 1911 the 10 greatest groups had developed and under construction 1,821,000 horsepower, and in 1913 they had 2,711,000, an increase of 890,000 horsepower. In 1911 the 10 greatest interests held undeveloped 1,450,000 horsepower, which had risen to 3,500,000 horsepower in 1913, an increase of 2,050,000 undeveloped horsepower.

These figures show that in the last two years the great power interests have increased their control of power held undeveloped more than twice as fast as they have increased their control of developed power.

The same preference of the water-power interests for concentrated control rather than for development may be shown in another way.

In 1908 the total developed water power in the United States was, in round numbers, 5,400,000 horsepower, and in 1913 it is 7,000,000, an increase of about 33 per cent for the five-year period. In 1908 the 13 greatest groups of interests controlled a total of 1,800,000 horsepower, developed and undeveloped, while in 1913 a smaller number, 10, of the greatest groups control a total of 6,300,000 horsepower, developed and undeveloped, an increase of 240 per cent. Thus con-

centration in ownership of water power in the United States has increased in the last five years about seven times faster than power development.

It must not be forgotten that the common operation of several water powers, by equalizing the load at different times, by reducing the danger of complete breakdown, and in other ways, has legitimate and real public advantages. If the concentration of control were intended merely to realize these advantages, there would be no such increase in the control of undeveloped powers as is actually taking place. Common operation of adjacent water powers has, however, very little relation, if any, to a monopolistic concentration of control such as the foregoing figures show is being brought about in the United States, and which, in the case of one group of interests, already extends into 17 States.

From the beginning of the fight to protect the public interest in the water powers the strenuous claim of the power interests has been that development was being or would be stifled, the growth of industry held back, and the public welfare injured by unreasonable requirements which discouraged investment and locked up against beneficial use the water powers on navigable streams, in the national forests, and on the public domain. So often and so plausibly has this claim been made that many good people have been brought to believe it, and the fight against the monopolization of water power has been made correspondingly harder.

But the foregoing figures, taken largely from the official statements of the power companies themselves, make the facts plain. As was said in the admirable report on water-power development made by the Commissioner of Corporations in March, 1912: "Our public policy must recognize both the need for utilization and the dangers of monopolistic control, and take effective action on both." We must check the unregulated concentration and monopoly of water powers, but that is not enough. The need is urgent also to force the development of water powers already under private control. This is as practicable as it is necessary. Prompt and ultimately complete development is required by the regulations for the use of power on the national forests adopted by the Forest Service, which was the first branch of the Federal Government to define and apply a water-power policy fair both to the power companies and to the American people.

Under the regulations of the Forest Service, which include also the very provisions so vigorously objected to by certain power interests as sure to hamper development, there were on the national forests on October 1, 1913, 78 water powers developed, 30 under construction, and no less than 76 of 728,300 horsepower capacity at low water, for which permits have been taken out within the past two years, under conditions requiring prompt development. The total capacity of all these powers is about 1,090,000 horsepower reckoned on minimum stream flow, or not less than twice that amount in actual fact. The total present development in the United States is about 7,000,000 horse. Nearly one-third as much has been or is required to be developed in the national forests under Government regulations. These figures finally and completely disprove the claim so often heard that proper Government regulations check development.

The record of the power situation makes it very clear that the fight for the conservation of the public water powers is first of all a fight against monopoly. But the second prime necessity in the public interest is to forbid and prevent the speculative holdings of powers unused, and to force the prompt and full development of the vast aggregate of power resources now held idle and unproductive under concentrated private control. If we take the valuation of $45 per horsepower, the water powers now held undeveloped in the control of the 10 great groups of interests represent a total annual loss to this country of $160,000,000 worth of power. To do the work which these powers would do were they developed costs the Nation each year, if we use the estimate of 10 tons of coal as necessary to produce one horsepower per year, more than 35,000,000 tons of our diminishing coal supply.

It is perfectly clear that no right to use a public water power should ever be granted unless the grantee can show either that he or it controls no water power not developed or not in actual process of development, or that there are reasons, sound from the point of view of the public, for leaving such controlled power undeveloped and asking for a further grant.

II. WATER-POWER POLICY.

Mechanical power lies at the root of modern civilization. The raw materials of mechanical power—coal, oil, natural gas, and falling water—are the bases for the larger part of transportation and industry. The control of them carries with it the control of industry and transportation, unless that control is modified by effective public regulation. Control of industry and transportation involves the control of modern life. Hence the monopoly of water power, one of the raw materials of mechanical power, is among the most threatening of monopolies. Upon this point the Inland Waterways Commission said in 1908:

"In the light of recent progress in electrical application it is clear that over wide areas the appropriation of water power offers an unequaled opportunity for monopolistic control of industries. Wherever water is now or will hereafter become the chief source of power the monopolization of electricity produced from running streams involves monopoly of power for the transportation of freight and passengers, for manufacturing and for supplying light, heat, and other domestic, agricultural, and municipal necessities to such an extent that unless regulated it will entail monopolistic control of the daily life of our people in an unprecedented degree. There is here presented an urgent need for prompt and vigorous action by State and Federal Governments."

In 1912 the final report of the National Waterways Commission said:

"The important fact to be gathered from the entire discussion of this phase of the subject would seem to be not so much that financiers and promoters might find it to their advantage to promote a monopoly as that economic considerations and the natural character of the business make monopoly almost inevitable and perhaps desirable when subject to strict public regulation. A form of possible monopoly, however, that needs to be immediately guarded against is the acquiring and holding of dam sites for speculative purposes where no immediate development is contemplated."

There are three essentials of a sound water-power policy:

1. Prompt development.
2. Prevention of unregulated monopoly.
3. Good service and fair charges to the consumer.

The regulation of service and charges is usually a State or local function. It should be exercised by the Nation only in interstate industry and when the failure of other agencies leaves the consumer at the mercy of a corporation.

The necessity for development need not be argued here. It has been from the first a most essential part of the conservation policy. To secure it the conditions of investment must be made safe and attractive to capital, and speculation in water power by holding power sites undeveloped must be stopped

A water power can be controlled and used by only one concern at one time. Therefore, water power is a natural monopoly. Hence the prevention of injury to the public from a monopolization of water power involves the whole question of the terms upon which the right to use a water-power site should be granted. It makes necessary a governmental veto power upon concentration of ownership, limitations of the term for which the franchise is granted, compensation to the public for value received, full publicity, and in general all those conditions in the permit or franchise which will help to safeguard the public against injustice or oppression, reduce or prevent the domination of one industry over another, and give to the development its greatest usefulness to the whole community. The public regulation of railroads and other public utilities whose franchises involve the use of natural monopolies offers an instructive analogy for similar regulation of water power.

The application of these principles is briefly considered under the following head:

III. FEDERAL WATER-POWER FRANCHISES.

Within the jurisdiction of the Federal Government are the water powers on navigable streams and those in the national forests and on the public domain, all of which may here be considered together. The prompt development and proper control of these powers constitute the two great phases of the national water-power problem.

The recent Supreme Court decision in the Chandler-Dunbar case has confirmed the right of Federal control over the water powers of navigable streams, and thus has overthrown one of the principal legal contentions heretofore used to obstruct the legislation required both in the interest of the power companies and of the public. That decision contains in substance the following conclusions:

(1) In the regulation of navigation—and to regulate means to develop—the United States is a single Government, and as to that governmental function there are no States.

(2) Where, when, and how such improvements in navigation are to be made is a legislative question for congressional determination.

(3) Such improvement may be furthered by the utilization of the power inherent in navigable streams to the extent of making commercial use of such power over and above the needs of navigation.

(4) This power belongs to all the people and not to the chance owner of the contiguous land.

The right of the Federal Government to control and dispose of water powers on the national forests and the public domain has never been successfully questioned.

Federal legislation to insure prompt development and the prevention of unregulated monopoly of water power and to make good franchises possible is urgently needed, both for the navigable streams and for the national forests and public domain. The essential provisions of a franchise fair to both sides are the same in both cases.

In order to protect the public interest and promote power development, rights to develop and use water power should be granted in accordance with the following general conditions, among others. These conditions are the result of governmental experience and of much discussion with water-power men and others.

Franchises should be granted:

(a) So that during a period of not exceeding 30 years the franchise or privilege granted by the Government may be revoked at any time by the granting officer for sufficient cause, subject to review by the courts. Although almost without exception the whole development of water power under Government franchise has so far taken place under revocable permits, these revocable permits are not fair to the power interests, whose investment should be protected for the whole of the fixed period of the grant. In this way security and attractiveness of investment will be obtained without the obvious dangers of perpetual control.

(b) Thereafter the franchise or privilege may be revoked at any time in the absolute discretion of the granting officer upon giving one year's notice, and upon payment to the grantee of the value of its material property and improvements as hereafter provided in (j). The power to terminate the franchise and take over the plant will greatly strengthen the efficiency of public control.

(c) After the expiration of the first period of the grant (described under (a) above as "not exceeding 30 years") and at recurring periods of not more than 10 years thereafter, the amount of compensation to be paid to the Government for the grant, and all other terms and conditions of the grant during the next succeeding period of not more than 10 years, shall automatically come up for readjustment and determination by the granting officer of the Government. Thus as conditions change the compensation to the public and the terms of the franchise may be changed to meet them.

(d) At the end of a period of 50 years from the granting of the franchise it shall automatically determinate, but may be renewed by mutual agreement and on terms to be fixed by the Government. In this way the conditions of the franchise will necessarily become subject to complete review under circumstances most conducive to the public advantage. At the same time the provisions for renewal to the original grantee upon mutual agreement will be attractive to capital and will tend to promote development.

(e) Franchises should be nonassignable and nontransferable except with the approval of the Government, because thereby speculation in power rights and monopoly of power control may be regulated or prevented.

(f) On condition of a reasonable annual charge based on the value of the site for power development, and adjustable at intervals, and upon the further condition of direct Government participation in the profits over and above a percentage to be determined in the franchise.

The values which are made available by water-power franchises should pay a yearly and unfailing compensation in return. The public makes the grant and there should be no uncertainty as to the participation of the public in the profits which arise from the grant. The power interests should pay something for what they get and what they pay should be subject to readjustment in accordance with the changing value of what the public has given them. The difficulties inherent in the establishment of new enterprises in sparsely settled regions should be recognized.

In the case of powers upon navigable streams, it is appropriate that the proceeds should be used for the improvements of navigation. The price of hydroelectric power to the consumer is determined not by the cost of production but by what the traffic will bear, and the latter is fixed by the cost of competitive steam power. The public therefore can not get its full share of the advantage of power development except

by a Government charge, collected, so to speak, at the water wheel, as set forth fully and conclusively in the reports of the Commissioner of Corporations. For the same reason this charge will not be paid by the consumer but out of the profits of the corporation.

(g) On condition of development of the whole capacity of the power site as rapidly as the granting officer may from time to time require, giving due consideration to market conditions and demands, and of continuous operation, subject also to market conditions, in order to prevent waste of power before and after development.

(h) With the right of the public to approve or disapprove issues of capital stock in order to prevent overcapitalization, to prescribe uniform methods of accounting, and to inspect all books and records of the grantee, for only so can public officials and the public learn the facts.

(i) With the right reserved to the Government to regulate rates and service to the consumer, should the business be or become interstate or should the State or local authority fail to do so.

(j) On condition that the public may, after a fixed period, take over the works covered by the franchise at their appraisal physical value at the time, not including consequential damages or the value of the franchise. While all Government water-power franchises now granted provide for termination of the franchise from the beginning at the will of the Government without compensation, that provision is an unfair burden upon the grantee, tends to increase the cost to the consumer, and should be removed.

(k) On condition that the franchise may be terminated if at any time the works constructed under it are owned, controlled, or operated by an unlawful trust, or in restraint of trade.

The general dam act (June 23, 1910), under which all franchises on navigable streams are or should be granted, does not, as interpreted, require adequate compensation to the Federal Government for the use of water power, does not provide for the renewal of franchises or for taking over the improvements at the discretion of the Government at the end of 50 years, and neither prohibits speculation in franchises nor requires prompt and complete development. It should be amended in accordance with the foregoing.

While the effort to secure the passage of sound and needed water-power legislation has not yet succeeded, the passage of bad legislation has become increasingly difficult. This statement is true in spite of the fact that the indefensible Coosa River bill passed both House and Senate at the end of the last administration, and was only prevented from becoming a law by the wise and patriotic veto of the President. The recent introduction in Congress of water-power bills by Senator BURTON and by Mr. LEVER, of South Carolina, both of which bills clearly recognize that the public interest in water power should come first, is a further satisfactory evidence of progress in the right direction.

RESOLUTION ON WATER POWER.

On November 20 Mr. Gifford Pinchot introduced the following amendment to the resolutions of the National Conservation Congress. This amendment, which strongly indorses the leading conclusions and principles laid down in the above report of the minority on water power, was passed by an overwhelming vote:

"Whereas concentrated monopolistic control of water power in private hands is swiftly increasing in the United States, and far more rapidly than public control thereof; and

"Whereas this concentrating, if it is fostered, as in the past, by outright grants of public powers in perpetuity, will inevitably result in a highly monopolistic control of mechanical power, one of the bases of modern civilization, and a prime factor in the cost of living; Therefore be it

"*Resolved*, That we recognize the firm and effective control of water-power corporations as a pressing and immediate necessity urgently required in the public interest;

"That we recognize that there is no restraint so complete, effective, and permanent as that which comes from firmly retained ownership of the power site;

"That it is, therefore, the solemn judgment of the Fifth National Conservation Congress that hereafter no water power now owned or controlled by the public should be sold, granted, or given away in perpetuity, or in any manner removed from the public ownership, which alone can give sound basis of assured and permanent control in the interests of the people."

STATEMENT OF PRINCIPLES.

The congress not only recognized the need for the regulation of water-power monopoly by the passage of the above amendment, but also by its indorsement of the following statement of principles recommended by its water-power committee laid down the main lines of working principles for the development of our public water powers:

The committee on water power, while finding a difference of opinion among its members as to certain details of the subject, feels very strongly the importance of making clear the general principles which control it, and realizes keenly the consequences which would follow a failure to agree upon a constructive program of progress. It has therefore framed the following brief statement of the recommendations upon which it is unanimous:

A grant of the right to use a water power, while differing in some details, is essentially similar to a grant of any other privilege or franchise from the Government, State or National, and its terms, regulation, and control should be guided by essentially the same principles necessary to safeguard the rights of the public and of posterity as have been found essential in the case of other classes of franchises from the Government. Particularly is this true in view of the fact that a water power, being perpetual, will surely tend to increase in value as other sources of power, such as coal and oil, become exhausted. At the same time, for the very purpose of preserving our other power resources which are capable of exhaustion, the development of water power, under proper safeguards of the public interest, should be earnestly encouraged and hastened. We recommend that the following principles should govern the granting of a privilege to use a water power:

(a) For a definite period, sufficient to be financially attractive to investors, the privilege should be irrevocable except for cause, reviewable by the courts.

(b) Thereafter the privilege should continue subject to revocation in the absolute discretion of the Government, exercised through its administrative board or officer, upon giving reasonable notice and upon payment of the value of the physical property and improvements of the grantee as below provided under (h).

(c) After the expiration of the period provided for in (a) above, at recurring intervals of not more than 10 years, the amount of compensation to be paid to the Government for the privilege and all the terms and conditions of the grant during the next succeeding period of not more than 10 years shall automatically come up for determination by the granting officer of the Government.

(d) The privilege shall be unassignable except with the approval of the Government in order to safeguard the interests of the Government against speculation in water powers and against appropriation without prompt development.

(e) The privilege shall be granted only on condition of development of the whole capacity of the power site as rapidly as the granting officer may from time to time require, giving due consideration to reasonable market demands and conditions, and also on condition of continuous operation, subject to such demands and conditions.

(f) The right to receive compensation for the value of the privilege, varying according to the proper conditions of each case, shall be reserved to the Government, State or Federal, from whom the privilege comes. We believe that the reservation of such a right to compensation is a vital essential toward the end of proper regulation. It is not sufficient to trust that the public will always receive its proper share by means of regulation of rates alone. Local authorities may neglect or may be unable, under conflict of jurisdiction, or for other reasons, to exact in the interest of the public the full value of the public's right. The value of a water power may in the course of time increase far beyond the power of local regulation to adequately distribute its benefits. At the same time the method of enacting compensation must be carefully safeguarded so that in case full compensation by rate regulation is exacted by local authorities an additional burden shall not be imposed. We believe that in normal cases the best method is for the Government to share increasingly in the net profits of the enterprise, provided those profits exceed a certain reasonable percentage, the right of the Government being recognized otherwise merely by the imposition of a small annual fee or its equivalent.

(g) The Government shall have the right to prescribe uniform methods of accounting for the grantee and to inspect its books and records.

(h) Upon revocation of a privilege by the Government the grantee shall be paid a compensation equivalent to the fair valuation of its property, exclusive of franchise and consequential damages; this compensation shall include such appurtenances as are necessary for the operation of the water power and the transmission of electricity therefrom, but shall not include such properties as railroads, lighting systems, factories, etc., which are of themselves separate industries.

In such transfer all contracts for the sale or delivery of power made in good faith previous to such notice of transfer should be assumed by the transferee so that the said grantee may operate and maintain the power business during his occupancy of the property under such stable guarantees as may beget confidence therein by prospective long-term contractors, provided that the Government or said transferee shall not assume any contracts made at a price or under conditions which shall be determined by the proper administrative officer of the Government to be unreasonable or confiscatory.

[From the Christian Science Monitor, Boston, Mass., Wednesday, May 6, 1914.]

CONSERVATION LAWS ARE NEAR—POSSIBILITY OF OBTAINING LEGISLATION ON THIS SUBJECT AT THIS SESSION BRIGHTENED BY ONE MEASURE HOUSE MAY CONSIDER—COMPARISONS MADE—VIEWS OF DIFFERENT FACTIONS ARE SET FORTH AND QUESTION OF STATE AND FEDERAL RIGHTS IS INVOLVED IN DISCUSSION.

WASHINGTON.

Possibility of obtaining some conservation legislation at this session of Congress brightened a bit when on Friday last, on the request of Majority Leader UNDERWOOD, concurred in by Chairman ADAMSON, of the Interstate and Foreign Commerce Committee, the House made the Adamson water-power bill the continuing order of business. This means that this bill, which is an amendment to the general dam act, may be brought up at any time when the House is not occupied in consideration of appropriation bills, except on Calendar Wednesdays, District of Columbia Mondays, or pension Fridays.

"This bill is of very great importance," said Mr. UNDERWOOD in asking for the privilege. "It is impracticable to build dams across navigable streams under the present dam act, because we can not pass a bill to conform to it in Congress. Within the last three years, I think, three dams have been built across navigable waters and a very large number of dams built across waters that are not navigable. I think this is a good bill and should be considered by the House." Chairman ADAMSON said he thought one full day of debate would be sufficient on the bill.

REPORTS BEING PREPARED.

Minority reports from the Interstate Commerce Committee are being prepared on this bill. Representative RAYMOND B. STEVENS, of New Hampshire, a Democrat, and Representative A. W. LAFFERTY, of Oregon, Progressive, will submit dissenting views, and a Republican minority report is expected. The main objection to the bill is that it does not sufficiently assert Federal rights in navigable streams.

The water-power bill may get before the House in a few days, as soon as the naval appropriation bill which is now pending is passed, if by that time no other appropriation bill is ready for consideration. But there are four others—pensions, diplomatic and consular, general deficiency, and sundry civil—yet to come, and if they are all ready in order it may be weeks before water power gets a hearing.

PREPARATION IN SENATE.

In the Senate a subcommittee of the Commerce Committee, presided over by Senator BANKHEAD, of Alabama, is preparing a water-power bill for navigable rivers, and it is planned to have it introduced in time for consideration at this session. This bill will contain many provisions similar to those of the Adamson bill, but will not be entirely the same.

The other great branch of water-power conservation is being considered in the House Committee on Public Lands, where hearings are now in progress on the Ferris bill, governing leasing of water-power sites on forest reserves and other Government lands. Former Secretary of the Interior Walter L. Fisher and Gifford Pinchot, former Chief Forester and now president of the National Conservation Association, have both testified generally in support of the Ferris bill, which was prepared by Representative SCOTT FERRIS, of Oklahoma, chairman of the committee, in conjunction with Secretary of the Interior Lane.

COMPARISON OF BILLS.

The Adamson bill, which deals with navigable rivers only, and the Ferris bill, which deals with nonnavigable streams on public lands, are related in interest only in their comparative conformity to the administration's general policy of water-power conservation. While the de-

tails must be essentially different, the broad policy of Federal and State rights, as expressed in the plan of charges for water and regulation of rates and service, must apply in general alike in both bills. Otherwise the War Department, governing navigable streams, would be proceeding upon a different basis from that of the Interior Department.

Four principal factions are working, in harmony on some points and in opposition on others, for the development of a conservation program. Secretary Lane's policy is contained in the Ferris bill; Secretary of War Garrison submitted his policy in a bill recommended to the House Interstate Commerce Committee; the House committee has adopted some of Secretary Garrison's provisions, but the Adamson bill is far from being the Garrison bill; the fourth faction consists of the Pinchot conservationists, who are strongest in their insistence upon Federal supremacy. It is impossible to tell just how the minority members of the House committee stand until their reports are made, but one of them, at least, conforms in general to the conservationists' platform.

POINTS AGREED UPON.

But while some fundamental points of disagreement remain, much progress has been made until all factions are generally agreed upon many more points. Briefly, the points of agreement are:

1. Definite term of lease of 50 years, with renewals for fixed periods at discretion of the United States
2. Requirement for reasonably prompt and orderly development to supply demand for power and continuous operation.
3. Federal regulation of rates and service on interstate business.
4. Prohibition of restraint of trade by combinations.
5. Prohibition of assignment or transfer of franchises without Government permission to prevent speculation.
6. Provision that the United States may take over the plant at expiration of term of lease by paying actual value for physical property and assuming contracts made in good faith, good will and franchise not to be valued.
7. Provision for lease of surplus power developed by Government plants or dams.
8. Navigation shall be paramount consideration on navigable streams.
9. Water shall be used for most valuable purpose.
10. Limited fine specified for violations of requirements.

The chief points in disagreement are:

1. Charge for use of power.
2. Disposition of revenue.
3. Regulation of rates and service on intrastate business.
4. Requirement that the grantee shall be a public utility.

WHAT BILLS PROVIDE.

The Lane-Ferris public lands water-power bill is almost entirely satisfactory to the Pinchot conservationists, indicating that when it gets before the House it will be passed or defeated strictly as a conservation bill. The Adamson bill is less fortunate in that it does not conform either to the policy of Secretary Garrison or that of the conservationists, being between the two. The Garrison bill as recommended to the Interstate Commerce Committee is a State rights bill, while the conservationists favor strong Federal authority. The Adamson bill retains some of the Garrison State rights features and adopts some of the conservationists' Federal rights claims.

In brief the Adamson bill provides:

1. Construction of locks may be required to protect navigation.
2. The water resources must be utilized to best advantage.
3. The Federal Government may charge the grantee for the benefit derived from reservoirs and other headwater improvements, to the maximum annual amount of 5 per cent of total Government investment, plus maintenance of said improvements. (No charge is made for use of water, which is most serious objection of conservationists.)
4. Government may charge 5 per cent per year for use by grantee of any public lands.
5. Navigation is paramount consideration.
6. Limit of $1,000 for each offense placed for violation of requirements.
7. Assignment or transfer of franchises without approval of proper Government authority prohibited to prevent speculation in franchises.
8. Franchise term of 50 years, or until compensation is made if Government decides to take over plant. After that term Government may terminate franchise on one year's notice, paying fair value for property, not including good will or value of franchise.
9. If plant is taken over by Government or transferred to another grantee, pending contracts made in good faith must be assumed.
10. Reasonable rates and service, without discrimination.
11. United States, through Secretary of War, to regulate rates and service on interstate business, and on intrastate business if State neglects to do so adequately in opinion of Secretary of War.
12. Prompt construction—commencement within one year and completion within three years to meet community's demands, unless time is extended by Secretary of War.
13. Surplus power developed by Government plant may be leased.
14. Prohibition against ownership by trusts in restraint of trade, but recognition of natural monopoly and permission for interchange of power with other companies.

GARRISON VIEWS GIVEN.

The bill submitted to the Interstate Commerce Committee by Secretary of War Garrison, as a basis for amendment of the general dam act applicable to navigable rivers, provided, in substance, as follows:

1. Congress to grant authority to construct dams, permits to be issued by the Secretary of War and Chief of Army Engineers.
2. No permit to be granted until State in which power plant is to be located has authorized grantee to become a public utility and has provided adequate laws and instrumentalities for proper regulation.
3. State may tax the power company.
4. Secretary of War to regulate interstate business.
5. Government may require grantee to construct navigation locks and to operate them without cost to the Government.
6. Project must provide for largest use of the water resources.
7. The Government may charge grantee reasonable amount annually for the benefits derived from storage reservoirs, watersheds, and other headwater improvements.
8. United States to be reimbursed for any expense incurred in supervising project.
9. Grantee must pay for restoring impaired navigation.
10. Navigation shall be regarded paramount consideration, the Government to control level of water, etc.
11. Five thousand dollars fine for violation of terms of grant, each month's delay to be regarded as new violation.
12. Term of franchise, 50 years; renewals, 5 years.
13. United States may take over plant at end of term by paying fair value, not including good-will or franchise value, and by assuming good-faith contracts.
14. Assignment or transfer of franchises without approval of Government forbidden.
15. Ownership by trust in restraint of trade, and exaction of unreasonable rates prohibited.
16. United States may lease surplus power developed at any Government plant.

PINCHOT CLAIMS URGED.

The Pinchot conservationists advocate as an ideal general dam act for navigable streams the following provisions:

1. A 50-year franchise, revocable only for good cause before expiration of term; revocable thereafter upon one year's notice and payment of appraised value of material property and improvements; renewal terms, 10 years; franchise to terminate automatically in 50 years, but renewable on new terms to be prescribed by Government.
2. Franchise nonassignable, except with Government approval, to prevent speculation in franchises.
3. Annual charge for use of water and any Government land used and, in addition, participation by Government in any profits realized above a certain per cent; proceeds devoted to navigation improvement.
4. Development of project to capacity as required by granting officers to supply needs of consumers.
5. Public censorship of capitalization.
6. Government regulation of interstate business and of intrastate business if State fails to regulate satisfactorily.
7. Ownership by trust in restraint of trade penalized by forfeiture of franchise.

The conservationists point out the principal defects of the present general dam act in its failure to (1) require compensation for use of water power; (2) provide for franchise renewals; (3) provide for Government taking over plant in 50 years; (4) prohibit speculation in franchises; (5) require prompt and complete development.

WATER-POWER LEASES.

The Lane-Ferris bill regulating water-power leases on public lands and nonnavigable streams, including some provisions of general water-power policy, provides, in brief, as follows:

1. Secretary of Interior empowered to lease public lands on regulations established by himself for water-power development.
2. Term of franchise, 50 years.
3. Franchise must have approval of the chief officer of the department under whose supervision the particular land in question falls (national forests, military, or other reservations).
4. Projects serving municipal purposes to have preference.
5. Reasonable development and continuous operation required.
6. No one consumer to receive more than 50 per cent of plant's output without consent of Secretary of the Interior.
7. Secretary of Interior to regulate interstate business.
8. Restraint of trade and ownership by trusts prohibited.
9. Assignment or transfer of franchises without approval of Government officer prohibited.
10. After 50 years, on 3 years' notice, United States may take over property, paying cost of rights of way, etc., and reasonable value of property, good will and value of franchise not considered. In lieu of taking plant over Government may lease to another party or renew original lease.
11. Secretary of Interior may authorize making of contracts extending beyond duration of franchise. In case the United States takes over plant or leases to another party at termination, these contracts must be assumed.
12 Government may charge for power, proceeds to be used first to pay cost of administration, balance to be paid half to Federal Reclamation fund and half to State for education and public improvements.
13. No franchises to be issued except for projects in States that provide adequate laws and instrumentalities for regulation.
14. Land entries on water-power lands permitted, subject to water-power development.
15. Secretary of Interior may require statements of cost, etc., of grantees.

FIXED TERM OF LEASE.

The provision for a fixed term of lease of 50 years is for the purpose of putting a stop to perpetual franchises. The conservation campaign of the past few years has aroused all factions to the necessity of reserving in perpetuity to the Federal Government all the great water-power resources. Requirement for prompt and orderly development is to insure utilization of the water resources for the consumers' benefit. This provision, with the one prohibiting assignment or transfer of franchises without Government approval, is designed to prevent trafficking and speculating in franchises by promoters who have no intention of actually developing the power themselves.

Prohibition against ownership of power plants by trusts operating in restraint of trade is made with the acknowledgment that the water-power business must of necessity be a monopoly, at least, to a great extent. With this in view the matter of regulation has been regarded as most important. There is no conflict over the Federal regulation of interstate business, but the State rights adherents maintain that under no circumstances should the Federal Government regulate interstate rates, whether the States perform this function efficiently or not. The conservationists and others who favor retention of a firm hold on the water powers by the Federal Government, think the Government should regulate intrastate business as well as interstate if the States neglect to do it properly. The Adamson bill leans far to the Federal extreme on this point, lodging in the Secretary of War the authority to say whether or not the State is regulating as it should. "Any State may control the subject if it will only do its duty," said Chairman Adamson. "If it fails to regulate, the Secretary of War will."

SUBJECT OF COMPENSATION.

Closely akin to the matter of regulation is the matter of compensation to the Government, for both affect rates. The State rights argument is that the power really belongs to the people, and the Federal Government has no right to receive compensation for use of the water. Further, they urge, such a charge is an indirect tax upon consumers, as it must add to the rates for power. The federalists, on the other hand, argue that the water in navigable streams belongs to the Government as trustee for the people and that compensation should be paid for its use. Answering the economic argument, they say that the rates for service are based on what the traffic will bear, as there is no competition. Electricity developed by water power costs, roughly

speaking, on an average 4 cents per kilowatt, while steam-generated electricity costs from 8 to 10 cents. Steam power, at the present time, at least, is the basis for rate making. Unless regulation is most efficient, then, it is argued, the charge imposed by the Government would come out of profits and not be added onto consumers' rates. It is regarded as best policy to leave as little as possible to be done by regulation.

STATE RIGHTS ASSERTED.

The Adamson bill and the Garrison bill have taken the State rights side of this question, permitting the Government to charge only for the benefit derived by the power company from headwater improvements, forest reserves, etc., which increase the flow of water, and not providing for a charge upon use of the water. Besides objecting to this elimination, the conservationists point to this charge for headwater improvements as impracticable because of the difficulty in estimating and valuing the benefits so derived, and apportioning them among the users of the water all along the stream.

Explaining their attitude on this point, the committee says: "We have not provided for any specific tax upon the business of the enterprise. If the Federal Government should conclude that it is necessary to take away from the States the matter of water power as an object of taxation, we consider that a proper and safe way to do that is for the Ways and Means Committee to report a bill for levying a uniform excise tax upon all water power, or hydroelectric, or upon water-power sites developed or undeveloped.

INTERESTS TO BE CONSIDERED.

Secretary Garrison said on this point: "Legally speaking, I do not think there can be any dispute that with respect to the question of power the position of the Federal Government is paramount. Nothing can be done without its consent, and only that can be done to which it consents. The interests to be considered I view as follows: First, there are the communities which will benefit by utilization of the water power. Next is the immediate sovereign over them which would direct this matter and have power with respect thereto, were it not for the paramount power above alluded to, which resides in the Federal Government. Finally, there is the Federal Government with absolute power, by reason of its ability to prevent the doing of anything without its consent. I conceive the equitable sphere of the Government to be to see to its that this great public utility shall be availed of in a way that will benefit the greatest number possible under the most favorable terms possible, and to recognize the justice—not as a matter of law—of the State entity receiving a revenue from the operation of this public utility within its confines and regulating it for the benefit of its people.

PAYMENT IS A QUESTION.

"The State may make proper provisions for taxation or receipt of revenue. It might properly provide a scheme which, in consideration of no imposts, or of slight imposts, the dam and accessory works should, at the end of a fixed period, become the property of the State. In other words, the State might say: 'Instead of getting a revenue out of you during the life of this franchise, we will abstain from so doing and take our payment in a lump sum, namely, the improvement, which shall thereupon become ours.' By so doing the State would substitute itself for the previous grantee and be identicaly situated with respect to the Federal Government."

The conservationists say: "The values made available by water-power franchises should pay a yearly and unfailing compensation in return. The public makes the grant and there should be no uncertainty as to the participation of the public in the profits which arise from the grant. The public can not get its full share of the advantage of power development except by a Government charge, collected, so to speak, at the water wheel, as set forth in the reports of the Commissioner of Corporations. It is not sufficient to trust that the public will always receive its proper share by means of regulation of rates alone. Local authorities may neglect or may be unable, under conflict of jurisdiction, or for other reasons, to exact in the public's interest the full value of the public's right. The value of a water power may in the course of time increase far beyond the power of local regulation to adequately distribute its benefits. We believe in normal cases the best method is for the Government to share increasingly in the net profits of the enterprise, provided those profits exceed a reasonable percentage, the right of the Government being recognized otherwise merely by the imposition of a small annual fee or its equivalent."

Disposition of revenue is a question closely allied to compensation, but it is regarded as not so vital in importance. This may be changed from time to time to meet changing conditions and demands without sacrificing a principle, but decision of right to exact revenue involves a principle which must stand permanently.

[Senate Report No. 1131, Sixty-second Congress, third session.]

CONSTRUCTION OF A DAM AND LOCK IN THE CONNECTICUT RIVER.

Mr. BURTON, from the Committee on Commerce, submitted the following report, to accompany S. 8033:

The majority of the Committee on Commerce, to which was referred the bill (S. 8033) to authorize the Connecticut River Co. to relocate and construct a dam across the Connecticut River above the village of Windsor Locks, in the State of Connecticut, report the same to the Senate without amendment, and recommend that the same do pass.

This bill provides a means by which, without expense to the Federal Government, a very important section of the Connecticut River between the towns of Hartford, Conn., and Springfield and Holyoke, Mass., may be improved for purposes of navigation. This reach of the stream contains a heavy fall known as the Enfield Rapids, which constitute a serious obstacle to its navigability. At present the practical navigation of the stream for commercial purposes ceases at the city of Hartford. Above this point the river is navigable only for boats of slight draft and small capacity. Somewhat more than 80 years ago the State of Connecticut chartered the Connecticut River Co., which is the grantee under this bill, as a navigation company, and for the purposes of affording navigation around these rapids the said company constructed a canal and lock, which it still operates. Originally the revenues of the company were derived from tolls imposed upon boats using this canal. At a later date the water power created by their dam was commercially utilized and the company thereafter derived its revenues from this source and voluntarily abolished the tolls. Subsequently the State of Connecticut amended the charter of the navigation company, granting it the right to generate, use, and sell hydroelectric power.

The conditions in this stream are typical of a large class of river improvements which the Federal Government is called upon to make. The large expenditures already required to improve rivers more naturally suited to purposes of navigation usually preclude the possibility of attempting to improve streams of comparatively small flow, or where obstructed with difficult rapids, unless a large portion of the expense can be derived from the stream itself by utilizing the value of the water-power possibilities. In principle it would appear to be eminently just that revenues for improving streams of this class should be derived from the privilege granted and not assessed against taxpayers in general. It would also seem exceedingly desirable that the maximum beneficial use of streams, both for navigation and water power, should be secured in the interest of the fullest conservation of our natural resources. Evidently the improvement of certain streams can best be accomplished where these two purposes are coordinated and carried on together.

In the present instance this bill grants to the Connecticut River Co. the right to construct a dam at a point in the Connecticut River below a line crossing both channels of the river and Kings Island midway between its northerly and southerly end. The act provides that the dam shall be constructed in accordance with the provisions of the general dam act approved June 23, 1910, with certain modifications, which will be noted in the subsequent portion of this report.

According to the provisions of the bill a lock must be constructed in connection with the dam of such size and design as the Chief of Engineers and the Secretary of War may require. The plan, if carried out, will thus provide slack-water navigation between Hartford and Holyoke adequate to meet the present and prospective commerce of this reach of the stream. The dam will also develop the full power possibilities of this portion of the river.

It appears to be a settled question that the Federal Government may impose a charge for the use of the surplus water, not needed for purposes of navigation, which may be made available incidentally to the construction of a dam by the Federal Government for purposes of navigation. It would seem equally evident that the Federal Government also has the right to utilize a private agency for the construction of dams in aid of navigation, granting the use of the incidental water power thereby created to the constructing company in compensation, and requiring such return as the circumstances may warrant.

The bill presented marks the most distinct step yet taken toward this method for the improvement of navigation in combination with hydroelectric development under the control and supervision of the Federal Government, but without Federal expenditure. In addition to the requirement that the company shall construct the dam, lock, and all works appurtenant thereto, without expense to the Federal Government, it is also provided that the Secretary of War, as a part of the conditions and stipulations referred to in the general dam act, may in his discretion impose a reasonable annual charge or return to be paid by the said corporation or its assigns to the United States, the proceeds thereof to be used for the further development of navigation in the Connecticut River and water connected therewith. It is provided, however, that no charge shall be imposed which shall be such as to deprive the said corporation of a reasonable return upon its actual and necessary investment.

The public interests seem to be fully safeguarded in this instance against exorbitant charges, because the generation and sale of electricity in the territory covered by this development are under the jurisdiction, both in Connecticut and Massachusetts, of well-organized utility commissions under State authority. It is believed that the authority of the Secretary of War to require a return to the Government in case the corporation earns more than a reasonable return upon its bona fide investment will be, in effect, a regulation of the charges of the company as well as a source of revenue to the Government, because it will be one of the most important factors to be taken into consideration by the commissions mentioned in fixing the rates of service which the company may charge. The provision, therefore, complies with the recommendation of the National Waterways Commission in its final report (p. 61), which reads as follows:

"Charges and regulation: That a grant for water-power development constitutes a special privilege, for which the Government is entitled to proper compensation, is a principle which should be clearly established. The actual value of such privilege will, of course, vary greatly under different conditions. Every grant of the Government should, however, be dependent on the payment of such reasonable charges as may be determined by the circumstances and equities involved in each case. The commission does not suggest or advise that this right or power of Congress should be invoked as a means of raising revenue for general purposes, but only to reimburse the Government for the cost of surveys, inspection, and similar expenses, and for the purpose of controlling the use of streams in the interest of the public."

The most important departures from the provisions of the general dam act as approved June 23, 1910, are as follows:

In the first section it is provided that the Secretary of War may, in his discretion, for adequate reasons, extend the period for the completion of the dam two years beyond the prescribed limits of the general dam act. The extension of time contemplated appeared to the committee reasonable, considering the difficulty of construction likely to be encountered.

In the same section it is provided that the rights and privileges granted under the act may not be assigned except upon the written authorization of the Secretary of War, except in pursuance of a decree of a court of competent jurisdiction. This provision was inserted with the intention of preventing its assignment for the purpose of creating monopolistic combination, a danger which should be carefully guarded against.

Section 2 contains numerous provisions intended to insure the primary operation of the dam and lock in the interests of navigation, while section 3 provides for the construction of a lock, in accordance with plans to be approved by the Secretary of War and Chief of Engineers, coincidently with the construction of a dam, and contains the provision of the general dam act requiring the company to convey the completed lock and appurtenances to the United States free of cost, together with such land as may be required for approaches and for the maintenance thereof, and to furnish the United States free of cost power for operating and lighting such lock and property.

Section 5 contains a provision materially different from those of former grants of this character. It is provided that at the expiration of the 50-year period contemplated by the general dam act the original grant may be renewed, transferred to other parties, or withheld. In the event that the grant is transferred to other parties, the Government shall require as a condition of the transfer of the property that the new grantee shall compensate the original grantee for the property acquired at a reasonable valuation. In the event that the United States refuses to renew the grant it shall itself make such compensation.

This provision is based upon the theory that if the Federal Government restricts its grantee to reasonable earnings, which appears to be

a policy necessary to enforce in the interests of the public, it shall also provide, as far as may be expedient, for the security of the necessary bona fide investment. The effect of this stipulation will be to cure, in its application to this grant, an undoubted defect of the general dam act and to make this system of legislation conform to the well-known methods obtaining in the case of long leases of land, providing for an appraisal and purchase of improvements at the expiration of the lease.

The majority of the committee feel that the provisions contained in this bill are exceedingly desirable, both in the interests of an enlarged improvement of a certain class of streams and also for the utilization of our water powers under provisions which will safeguard fully the public interests, and therefore earnestly recommend the passage of this bill.

Attached hereto will be found copy of a letter from the Secretary of War, addressed to the chairman of the Senate Committee on Commerce, which indicates that he is fully in accord with the provisions of the bill.

WAR DEPARTMENT,
Washington, January 2, 1913.

MY DEAR SENATOR: I beg to respond to the kind request of your committee for an expression of my views as to—

"A bill for the improvement of navigation of the Connecticut River and authorizing the Connecticut River Co. to relocate and construct a dam in said river above the village of Windsor Locks, in the State of Connecticut."

It is understood that this bill is intended to replace three bills of a similar import, as to which I reported to your committee under date of April 18 last.

As reported to me by the Chief of Engineers, the Connecticut River between Hartford, Conn., and Holyoke, Mass., calls for improvements in the interest of navigation which are delayed owing to the very large cost of such improvements if independently undertaken by the Government. If, however, the improvement of navigation could be combined with a project for water-power development, whereby the cost of the improvement demanded by the interest of navigation would not devolve upon the Government, the adoption of such a plan would be plainly in the public interest. The bill now under consideration seeks thus to combine the commercial interests of navigation with the interests of water-power development and, it is believed, provides the most economical method of securing the improvement of the river sufficient for the present and prospective commerce. From the reports submitted to Congress, in accordance with the river and harbor act of March 3, 1909 (H. Doc. No. 818, 61st Cong., 3d sess.), it appears that the lock necessary for navigation purposes alone was estimated to cost $430,000; and inasmuch as this estimate was made several years ago it is probable that the cost to-day will be considerably larger. In addition to this, if the improvement of the Enfield Rapids were to be undertaken by the Federal Government directly, the necessity for purchasing flowage rights and extinguishing vested interests acquired under State law would add considerably to the actual cost of the work, and would doubtless present legal complications that would greatly embarrass the consummation of the improvement.

Therefore, from the standpoint of navigation, I am of the opinion that the project embraced in the bill whereby the lock and dam are built by the grantee as an agency of the Federal Government is very advantageous to the United States. On the other hand, the bill will give to the Connecticut River Co. very valuable water-power rights in connection with this work of improvement. The case thus falls within the principles which the President has laid down in his veto message of August 24, 1912, on the Coosa River dam bill (S. 7343, 62d Cong., 2d sess.) and calls for a reassertion of the views I have heretofore expressed on bills of similar import, as to which I have previously reported to your committee. In other words, I think the bill should not become law unless a provision is added giving the Secretary of War authority, as one of the conditions of the privilege granted by the act, to require the grantee to pay to the United States a reasonable annual return after making due allowance for construction, renewals, depreciation charges, and a reasonable return to the grantee on his bona fide investment, such proceeds to be devoted to the interests of navigation. With such a provision, I am of the opinion that the bill is in the interests of the public, and I strongly urge enactment.

After conference with the representatives of the Connecticut River Co., they have consented to the insertion in the bill of an amendment to meet my views as to the provision for compensation which I deem vital to its enactment. It is contained in the last proviso of section 1 of the inclosed draft of the bill. I have also examined the remainder of the annexed draft, containing certain minor amendments proposed by the Connecticut River Co., and believe that the interests of the Government, from the standpoint of my department, are adequately safeguarded thereby.

Very respectfully,

HENRY L. STIMSON,
Secretary of War.

Hon. KNUTE NELSON,
Chairman of Committee on Commerce, United States Senate.

A bill (S. 8033) to authorize the Connecticut River Co. to relocate and construct a dam across the Connecticut River above the village of Windsor Locks, in the State of Connecticut.

Be it enacted, etc., That the assent of Congress is hereby given to the Connecticut River Co., a corporation organized and doing business under the laws of the State of Connecticut, to relocate its "Enfield Dam," so called, and to construct, maintain, and operate such relocated dam (which, if located opposite Kings Island, in said river, shall extend across both branches of the river), together with works appurtenant and necessary thereto, across the Connecticut River at any point below a line crossing both branches of the river and Kings Island midway between the northerly and southerly ends of said Island: *Provided*, That, except as may be otherwise specified in this act, the location, construction, maintenance, and operation of the structures herein authorized, and the exercise of the privileges hereby granted, shall be in accordance with the provisions of the act approved June 23, 1910, entitled "An act to amend an act entitled 'An act to regulate the construction of dams across navigable waters,' approved June 23, 1906": *And provided further*, That the time for completing said dam and appurtenances may be extended by the Secretary of War, in his discretion, two years beyond the time prescribed in the aforesaid act: *And provided further*, That the rights and privileges hereby granted may be assigned with the written authorization of the Secretary of War, or in pursuance of the decree of a court of competent jurisdiction, but not otherwise: *And provided further*, That the Secretary of War, as a part of the conditions and stipulations referred to in said act, may, in his discretion, impose a reasonable annual charge or return, to be paid by the said corporation or its assigns to the United States, the proceeds thereof to be used for the development of navigation on the Connecticut River and the waters connected therewith. In fixing such charge, if any, the Secretary of War shall take into consideration the existing rights and property of said corporation and the amounts spent and required to be spent by it in improving the navigation of said river, and no charge shall be imposed which shall be such as to deprive the said corporation of a reasonable return on the fair value of such dam and appurtenant works and property, allowing for the cost of construction, maintenance, and renewal, and for depreciation charges.

SEC. 2. That the height to which said dam may be raised and maintained shall not be less than 39 feet above zero on the Hartford gauge: *Provided*, That said corporation shall permit the continuous discharge past said dam of all water flowing in the Connecticut River whenever the discharge into the pool created by the dam hereby authorized is 1,000 cubic feet per second or less, and at all greater discharges into said pool shall provide a minimum discharge past said dam of not less than 1,000 cubic feet per second: *And provided further*, That said corporation may, for not to exceed five hours between sunset and sunrise, limit the discharge past said dam to 500 cubic feet per second whenever such limitation will not, in the opinion of the Secretary of War, interfere with navigation. The measure of water thus to be discharged shall include all the water discharged through the lock herein provided for and the present locks and canal of said corporation: *And provided further*, That nothing in this act shall in any way authorize said corporation at any time or by any means to raise the surface of the river at the location just above the present Enfield Dam to any height which shall raise the surface of the river at the lower tailrace of the Chemical Paper Co. in Holyoke, Mass., higher than can result from the erection or maintenance of any dam or dams which said corporation is authorized to erect or maintain in accordance with the order and decree of the Circuit Court of the United States for the District of Connecticut, passed June 16, 1884, in the case of The Holyoke Water Power Co. against The Connecticut River Co.

SEC. 3. That the said Connecticut River Co. shall build coincidently with the construction of the said dam and appurtenances, at a location to be provided by said corporation and approved by the Secretary of War, and in accordance with plans approved by the Secretary of War and the Chief of Engineers, a lock of such kind and size, and with such equipment and appurtenances as shall conveniently and safely accommodate the present and prospective commerce of the river, and when the said lock and appurtenances shall have been completed the said corporation shall convey the same to the United States, free of cost, together with title to such land as may be required for approaches to said lock and such land as may be necessary to the United States for the maintenance and operation thereof, and the United States shall maintain and operate the said lock and appurtenances for the benefit of navigation, and the said corporation shall furnish to the United Stats, free of charge, water power, or power generated from water power, for operating and lighting the said constructions; and no tolls or charges of any kind shall be imposed or collected for the passage of any boat through the said lock or through any of the locks or canal of said corporation.

SEC. 4. That compensation shall be made by the said Connecticut River Co. to all persons or corporations whose lands or other property may be taken, overflowed, or otherwise damaged by the construction, maintenance, and operation of the said dam, lock, and appurtenant and accessory works, in accordance with the laws of the State where such lands or other property may be situated; but the United States shall not be held to have incurred any liability for such damages by the passage of this act.

SEC. 5. That upon the termination for any cause whatever of the authority, rights, and privileges granted hereby, or any renewal thereof, the United States may renew the same or the grant may be made or transferred to other parties. Unless the grant is renewed to the original grantee or its assigns, as herein provided, the United States shall pay or require its new grantee to pay to said original grantees or its assigns, as full compensation, the reasonable value of the improvements and appurtenant works constructed under the authority of this act and of the property belonging to said corporation necessary for the development hereby authorized, exclusive of the value of the authority hereby granted. Said improvements and appurtenant works and property shall include the lands and riparian rights acquired for the purposes of such development, the dam and other structures, and also the equipment useful and convenient for the generation of hydroelectric power or hydromechanical power and the transmission system from generation plant to initial points of distribution, but shall not include any other property whatsoever. Such reasonable value shall be determined by mutual agreement between the Secretary of War and the owners, and in case they can not agree, then by proceedings instituted in the United States district court for the condemnation of such properties. The basis for determining the value shall be the cost of replacing the structures necessary for the development and transmission of hydroelectric power by other structures capable of developing and transmitting the same amount of marketable power with equal efficiency, allowance being made for deterioration, if any, of the existing structures in estimating such efficiency, together with the fair value of other properties herein defined to which not more than 10 per cent may be added to compensate for the expenditure of initial cost and experimentation charges and other proper expenditures in the cost of the plant which may not be represented in the replacement valuation herein provided.

SEC. 6. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. RAINEY. Mr. Chairman, it has become the practice of one or two gentlemen on this floor, who stand for this water-power bill as originally reported out, to say that every statement I make is not in accordance with the facts. Now, every statement I have made is in accordance with the facts, and I have not made any statement that is not admitted by these gentlemen themselves upon this floor. They seek to escape the force of my remarks about the bridge at Keokuk by saying it is not the Keokuk Dam Co.-Mississippi River Power Co. now asking for the right to put a bridge on these piers, but that it is the Intercity Bridge Co. I do not know who the Intercity Bridge Co. are, but I do know that in 1905 a company com-

posed of citizens of Keokuk, and perhaps Hamilton also, came to this House and asked for this perpetual franchise which they now have there, upon the theory that it was a Keokuk and Hamilton industry that wanted the power; and I do know that immediately afterwards they sold that franchise to Hugh L. Cooper, who organized the Mississippi River Power Co. and built the dam, and I know they got $20,000 for it. I do not know who the Intercity Bridge Co. are. I have never investigated, but I will undertake to say, just as a guess at it—and I will probably guess correctly—that you will find among the incorporators of the Intercity Bridge Co. some of those Keokuk and Hamilton citizens who, for the benefit of Keokuk, obtained this franchise in 1905; and you will find, if this Intercity bridge bill passes this House, that they will turn the franchise over to the Mississippi River Power Co.

Now, I will ask the gentleman from Iowa [Mr. KENNEDY] to state whether he has investigated the question and if he has ascertained whether or not the Intercity Bridge Co. are composed largely of the same individuals who got the franchise to build a power dam there and then turned it over to Hugh L. Cooper, and through him to the Mississippi Power Co.? The gentleman does not seem to be here.

Mr. MANN. He is not on the floor at this moment.

Mr. RAINEY. I see the gentleman is not on the floor. I did not know that when I asked the question or I would not have asked it. I am sorry the gentleman from Iowa is not here. He states that I said that 104 steamboat companies were operating boats on this section of the river. I said nothing of the kind. I said that 104 boats or steamboat companies were authorized to operate on this section of the river, and that I had written to all of them, and that I got replies from such of those companies or boats as did actually operate upon this part of the river. Now, I see the gentleman from Iowa [Mr. KENNEDY] has returned to the Hall. If he will take the trouble to examine the hearings on my Keokuk Dam resolution before the Committee on Rules of this House, which hearings have been printed, he will be able to inform himself and will find out something about his own district that he does not know.

Mr. KENNEDY of Iowa. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. KENNEDY of Iowa. What replies did the gentleman get from steamboat men other than the Wisherd people, the Blair people, and the Streckfus people in regard to the boats operating in that particular region?

Mr. RAINEY. I will say to the gentleman that I do not have the hearings before me, but the gentleman can examine them.

Mr. KENNEDY of Iowa. I have examined them, and there is not a single letter except——

Mr. RAINEY. I will undertake to call the gentleman's attention to plenty of them.

Mr. KENNEDY of Iowa. There are letters from captains of boats, but they represent those three lines and no others.

Mr. RAINEY. According to the gentleman, these are the only companies operating on that section of the river. If that is true, then all the interests using that part of the river object to these piers. Now that the gentleman is here, will he state who comprise the Intercity Bridge Co.?

Mr. KENNEDY of Iowa. It is made up of 8 or 10 gentlemen from Keokuk and Hamilton.

Mr. RAINEY. Will the gentleman give me their names?

Mr. KENNEDY of Iowa. I do not know that I can give all the names. There is Mr. Charles R. Joy——

Mr. RAINEY. Was he one of the original company that obtained the charter to build the dam?

Mr. KENNEDY of Iowa. No; he had nothing to do with it. Then there is Mr. A. E. Johnson.

Mr. RAINEY. Was he one of the original company?

Mr. KENNEDY of Iowa. He was one of the original Keokuk-Hamilton Co. which got the original franchise.

Mr. RAINEY. Which was afterwards transferred to the company that actually built the dam?

Mr. KENNEDY of Iowa. Yes; but the gentleman said they got it without the expenditure of a dollar, which was not a correct statement.

Mr. RAINEY. They got $20,000 for it.

Mr. KENNEDY of Iowa. They spent a whole lot of money. The gentleman probably does not know that the cities of Keokuk and Hamilton appropriated money out of their treasuries for that company to get their franchise and make their preliminary surveys, and so forth, amounting to more than $20,000, which was restored when Mr. Cooper purchased their rights.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. RAINEY] has expired.

Mr. RAINEY. I ask unanimous consent that my time be extended five minutes.

The CHAIRMAN. The gentleman from Illinois [Mr. RAINEY] asks unanimous consent that his time be extended five minutes. Is there objection?

Mr. UNDERWOOD. Reserving the right to object, I ask unanimous consent that all debate on this section be closed at the end of five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. FOWLER. Reserving the right to object, I want a few minutes.

Mr. UNDERWOOD. How many minutes?

Mr. FOWLER. Not to exceed five minutes.

Mr. UNDERWOOD. Then I ask unanimous consent that debate on this section be concluded in 10 minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this section be concluded in 10 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Illinois [Mr. RAINEY] is recognized for five minutes.

Mr. RAINEY. Will the gentleman from Iowa name some of the other members of the Intercity Bridge Co.?

Mr. KENNEDY of Iowa. Judge William Logan, I think.

Mr. RAINEY. He was one of the original company?

Mr. KENNEDY of Iowa. He was one of the original company. Then there is Mr. C. P. Dadant, of Hamilton.

Mr. RAINEY. He was one of the original company?

Mr. KENNEDY of Iowa. Yes; and Mr. W. W. Wallace.

Mr. RAINEY. He was one of the original company?

Mr. KENNEDY of Iowa. Yes.

Mr. RAINEY. Who else?

Mr. KENNEDY of Iowa. I do not remember.

Mr. RAINEY. The gentleman has named almost a majority of them—a majority of them evidently were also connected with the original company that obtained the original franchise to build this dam. Now, under those circumstances what will happen to this bridge franchise if the Intercity Bridge Co. get it?

The same thing will happen that did happen to this Keokuk Dam franchise. They propose, of course, to turn over this bridge franchise, if they get it, to the Mississippi River Power Co., or some one of its subsidiary companies, or some interest operating with the Mississippi River Power Co. Now, I do not care whether there is a bridge there or not; I was calling attention to the objection to putting these piers 175 feet apart. I want to ask another question of the gentleman from Iowa. How many of the public-service companies of the city of Keokuk has the Mississippi River Power Co. absorbed?

Mr. KENNEDY of Iowa. They have not absorbed any, but the Stone & Webster Co. have taken one at Keokuk and one from Madison, and the lighting privilege in Dallas City. Outside of that the Mississippi River Power Co. has absolutely no control.

Mr. RAINEY. The Stone & Webster Co. controls the Mississippi River Power Co.?

Mr. KENNEDY of Iowa. No; they are the managing company. When these financial houses financed the proposition they looked for a company to operate, and in competition with others they chose the Stone & Webster Co.

Now, let me say a word about this bridge company; I know the gentleman from Illinois does not want to be unfair.

Mr. RAINEY. I certainly do not.

Mr. KENNEDY of Iowa. He says that the piers are only 175 feet apart. There are a lot of bridges between St. Louis and St. Paul with piers less than that distance apart, and the piers of the Keokuk Bridge only have 165 feet distance between them.

Mr. RAINEY. The piers are not in alignment.

Mr. KENNEDY of Iowa. And they are 181 feet apart.

Mr. RAINEY. They all say that they are 175 feet apart and not in alignment, and that fact makes them in reality a much less distance apart than they in fact are.

Mr. KENNEDY of Iowa. Now, let me say——

Mr. RAINEY. I can not yield further; I have not the time. That is the way with this matter all the way through. The Mississippi River Power Co. has not absorbed the public-service corporations of the city of Keokuk, but the Stone & Webster people have, and they control the Mississippi River Power Co. The Mississippi River Power Co. does not propose to build a bridge, but the Intercity Bridge Co. does, and that is composed of gentlemen who surrendered the original franchise to the Mississippi River Power Co. and who will surrender this bridge franchise to the same interests if they get it.

Mr. KENNEDY of Iowa. There is only one member of the Intercity Bridge Co. who has stock in the Mississippi River Power Co.

Mr. RAINEY. I did not say they had stock in it, but they sold it for $20,000, surrendered the franchise; and if they get this bridge franchise they will surrender it in the same way. I will say that I do not care how much the city of Keokuk surrenders to this water-power trust. I do not represent the city of Keokuk. I am simply calling attention to what has happened there and to what is going on all over the country.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FOWLER. Mr. Chairman, in line 23, page 14, is a provision which is conditional for the purpose of taking over certain power given companies to construct dams in which it is provided that the Attorney General shall institute proceedings to take over this right, provided that the Secretary of War requests him to do so. The question that arises in my mind is, Why should you make the duty of the Department of Justice in enforcing the law conditional upon the will of anybody? Why not let the Attorney General have the duty resting upon him to discharge the duty under his conscience and his answer to the people for not discharging it? Why limit it to the request of the Secretary of War?

I know that the answer will be that the Secretary of War had this matter in charge, and that the Secretary of War is the all-knowing power as to whether a prosecution or action should be instituted for the purpose of taking over these rights. But if you make it conditional, as the bill does, then you give the Secretary of War the discretion to make discrimination between companies or individuals who are seeking control of hydroelectric power. So I think that the bill ought to be definite and fix the duty of the Attorney General and make him responsible to the people for not discharging that duty. Now, I will ask the chairman that question.

Mr. ADAMSON. It is not only usual but wise that the department which has charge of the matter in a particular line of business or improvement shall itself be the judge of when there ought to be a lawsuit started. The Attorney General is not supposed to look into the details of every department. The Secretary of War is charged with the administration of these and similar laws, and when he finds it necessary to bring a suit he brings it to the attention of the Attorney General.

Mr. FOWLER. I used to have an old neighbor who said that one boy in a family was a boy, two boys was a half a boy, and three boys was no boy at all. That is what you have here in your bill. Why do you not throw the responsibility on one man, and let him take that responsibility in discharging his duty? Why have two boys in this question? According to my old friend that lived close by my father's house, you have got half an Attorney General and half a Secretary of War.

Mr. SHACKLEFORD. Will the gentleman yield?

Mr. FOWLER. Yes.

Mr. SHACKLEFORD. Is not that what the gentleman from Illinois is trying to get, to have two boys actually instead of one? Under the bill as it now is it is the duty of the Secretary of War to control all these things, but, not being a lawyer, he employs the lawyer which the Government provides to help him.

Mr. FOWLER. The gentleman from Missouri does not make any progress in this matter at all. If he is going to leave the question of law to a lawyer, the bill puts the responsibility on the Attorney General to bring the lawsuit, and he is the man who ought to have the responsibility, for he knows the law and is the one who ought to bring the lawsuit. He ought to have the responsibility. Your old rube back in your district will complain of you if you stand here enforcing these ideas, this irresponsible method of enforcing the law. The gentleman had better go back and consult old rube before he takes such a position on the floor.

Mr. SHACKLEFORD. If the gentleman will permit me——

Mr. FOWLER. I do not want to yield. I yielded for a question, and now the gentleman wants to make a speech. I always listen to the gentleman from Missouri with a great deal of pleasure and go back and tell my constituents what he says on the floor.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The Clerk read as follows:

SEC. 13. That the right to alter, amend, or repeal this act is hereby expressly reserved as to any and all dams which may be authorized in accordance with the provisions of this act whenever Congress determines that the conditions of consent have been violated. In such case the United States shall incur no liability for the alteration, amendment, or repeal thereof to the owner or owners or any other persons interested in such dam.

Mr. STEVENS of New Hampshire. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 15, line 7, after the word "act," strike out the rest of the section.

Mr. STEVENS of New Hampshire. Mr. Chairman, this section as written into the bill reserves the right to alter, amend, or repeal this act only when Congress determines that the conditions of the consent have been violated. I think Congress should have the right, and undoubtedly has the right, to alter, amend, or repeal this act at any time, the same as it has any piece of general legislation. It should have the right to alter or repeal this act as to any or all dams that may be authorized in accordance with it at any time that Congress deems it wise in the public interest to do so. This bill undertakes to confer and does confer a charter that runs for 50 years. Of course, you can not have a charter that runs for 50 years and still have the right to alter, amend, or repeal the charter without assuming a liability to the grantees for that period of the charter which has not yet expired. If this amendment of striking out all the words after "act" be adopted, so that the section shall read:

That the right to alter, amend, or repeal this act is hereby expressly reserved as to any and all dams which may be authorized in accordance with the provisions of this act——

Mr. ADAMSON. Mr. Chairman, will the gentleman yield?

Mr. STEVENS of New Hampshire. Yes.

Mr. ADAMSON. If I understand the gentleman, he desires to strike out all after word "act," in line 7, and just leave it that the right to alter, amend, or repeal the act is hereby expressly reserved as to any and all dams that may be authorized in accordance with the provisions of this act?

Mr. STEVENS of New Hampshire. Yes.

Mr. ADAMSON. If we strike that out, and Congress passes on the question of ordering the repeal, it is all the same thing. I do not object to the amendment. I accept the amendment.

Mr. MANN. Mr. Chairman, I am opposed to the provision as it stands in the bill, and more opposed to the amendment offered by the gentleman from New Hampshire [Mr. STEVENS]. We have the right to alter, amend, or repeal any act of Congress. It is not necessary that we insert that in the law; but when you want to affect anything which is already done by some private individual under an act of Congress, you must reserve the right to alter, amend, or repeal, or you may run up against a liability on the part of the Government. We grant to some corporations the power to construct a dam, as we have granted in the past, and we want to change the condition and still keep that company under the general act. Well, we change the act. It can not affect that company unless we have reserved the right to do it without liability. The gentleman from New Hampshire [Mr. STEVENS] proposes to let it stand so that we have the right to alter, amend, or repeal the act; but if we do that, and it injures the company, they have a claim against the United States which they can enforce. It is taking private property without compensation. I worked for a long time over the original provision which is in the law. We may make a great many changes in the course of time with reference to these laws affecting dams, and there is no reason why, if we do that and make it applicable to an existing dam, we should give the Government the responsibility of paying the company for any changes that are made. In an ordinary case the right to alter, amend, or repeal is enough of itself. We put that provision in every special bill for a dam that we pass; but here is the governing principle, and we ought to have the right to alter, amend, or repeal that without paying for the opportunity, and if you adopt the amendment of the gentleman from New Hampshire, we will never make any change about any dam that a claim will not be brought against the Government. Nor am I willing, so far as I am concerned, to take the original in the bill and say that we shall have the right to alter, amend, or repeal only when the dam company has violated the conditions of the consent.

Mr. ADAMSON. Mr. Chairman, will the gentleman yield?

Mr. MANN. In a moment. All of these companies throughout the United States and elsewhere must be taught that the governing power reserves the right to regulate these franchises which it grants. When I was a young man in college the State of Illinois was then starting out to regulate railroads and warehouses, and it was held by the railroads and the warehouse men to be something monstrous. The end of the world would come if the State were given authority to regulate railroad rates or warehouse rates. People used to ride free on the Illinois Central Railroad, up and down past the station where I was at school, because the railroad company

would not accept the fare fixed by the State law, and the people would not pay any more fare. The matter finally went to the Supreme Court, and the Supreme Court held that the Government had the power to regulate that sort of public utility. Is it now proposed to give away that power? That is what this amendment of the gentleman from New Hampshire would do. That is what the provision in the bill itself would do. I now yield to the gentleman from Georgia.

Mr. ADAMSON. As I understand the gentleman, it would suit him to strike out the part of the bill that is in italics, namely, "whenever Congress determines that the conditions of consent has been violated," and leave the original section.

Mr. MANN. Yes; leave it as the law now stands.

Mr. ADAMSON. Mr. Chairman, I agree thoroughly with the gentleman, and I will ask the gentleman from New Hampshire to modify his amendment to that effect.

Mr. STEVENS of New Hampshire. I will accept that, Mr. Chairman. I ask unanimous consent to modify my amendment so as to strike out the words "whenever Congress determines that the conditions of consent have been violated."

The CHAIRMAN (Mr. MOON). Is there objection to the request of the gentleman from New Hampshire that he be permitted to modify his amendment?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Modification of amendment of Mr. STEVENS of New Hampshire: Page 15, lines 7 and 8, strike out the words "whenever Congress determines that the conditions of consent have been violated."

Mr. SMITH of Minnesota. Mr. Chairman, I move as a substitute that section 13 be stricken from the bill, and I do that——

Mr. ADAMSON. I do not accept that.

Mr. SMITH of Minnesota (continuing). And I do that for the reason that as the section appears in the bill it is a limitation upon the power of Congress to amend, alter, or repeal a regulatory law and would be unwise and unsafe legislation. The Constitution gives to Congress the right to amend, alter, or repeal any law which it may enact. It is not necessary that Congress should reserve that right in its legislation. It is true that such a policy has become customary. It serves notice on the grantees, as in this case, that it is the intention of Congress, when it deems it wise, to either amend, alter, or repeal the law, and the section as it appears in this bill can have no other effect than to take away from Congress the constitutional power to amend, alter, or repeal this act. There is a great deal in what the gentleman from Illinois [Mr. MANN] has said, that if we are to have this section in the bill it is for the purpose of serving notice upon those who act upon this legislation that Congress will at some future time, when circumstances warrant, amend this law. But further than that I do not wish to yield, because if we are at this late day going to enact legislation which is going to deprive Congress of the power to regulate such institutions as this bill is aimed at, then we are going backward instead of forward. True, 50 years ago the idea of regulating public-service corporations or railroads or steamboat lines was unheard of, but to-day monopoly is abroad, and the only way that we can curtail it and conserve to the public for the public use and the public benefit the great resources of this country is by curbing monopoly by wise legislation, and if there ever was an unwise piece of legislation attempted it is the attempt to insert in this law section 13.

Mr. MANN. Mr. Chairman, I rise to oppose the motion of the gentleman from Minnesota. This is one section of the existing law which has been very bitterly opposed by the special interests and they would be exceedingly glad to have the amendment offered by the gentleman from Minnesota prevail. There is no constitutional authority; the gentleman from Minnesota is mistaken in that respect, authorizing us to repeal a law which thereby seizes private property and confiscates it.

Mr. SMITH of Minnesota. Mr. Chairman, will the gentleman state on what authority he bases that proposition?

Mr. HULINGS. The Dartmouth College case.

Mr. MANN. No; I am not basing it on the Dartmouth College case, that relates to States. Why, I base it upon authorities all through the courts. The United States Government can not confiscate the property of private individuals. It has no authority to seize the property, the Constitution itself says so in so many words.

Mr. STEVENS of Minnesota. The Chandler-Dunbar case sustains that.

Mr. MANN. We must preserve our rights. If we make an amendment which affects injuriously those things which people own—of course, we can amend the law as to the future at any time. We have the power to amend the laws as to the future—but when you amend and thereby seize private property unless this provision is in the bill you have to pay for it.

Mr. SMITH of Minnesota. Will the gentleman yield?

Mr. MANN. Yes.

Mr. SMITH of Minnesota. Does the gentleman contend that it is necessary to have a provision in the bill reserving to Congress the right to amend or repeal a regulatory law? This has nothing to do with the seizing of property, but a law which simply prescribes rules and regulations upon which property may be owned and used.

Mr. MANN. Oh, we might have the power to repeal a regulatory law if that is all this was, but this law in effect is a contract when it is made use of under a special act of Congress creating or authorizing a franchise to be given, and when that franchise holder constructs a dam under the provisions of the law and invests his money the Government can not take that away from the owner without compensation unless we have reserved the right to do so. That is elemental.

Mr. SMITH of Minnesota. Mr. Chairman, I withdraw the amendment. I introduced it for the purpose of calling attention to this section.

Mr. BRYAN. Mr. Chairman, I desire to offer an amendment to perfect this, and I desire to call the attention of the gentleman to this.

Mr. THOMSON of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry

Mr. THOMSON of Illinois. What has become of the pending amendment?

The CHAIRMAN. The pending amendment is the amendment offered by the gentleman from New Hampshire, the gentleman from Minnesota, by the consent of the committee, having withdrawn his amendment.

Mr. BRYAN. I shall suspend now and support the Stevens amendment, and then I desire to offer my amendment.

The CHAIRMAN. The question now is upon the amendment offered by the gentleman from New Hampshire as modified.

The question was taken, and the amendment as modified was agreed to.

Mr. BRYAN. Mr. Chairman, I call attention to the fact that the section as amended now differs from the present law in that in line 6 the word "authorized" is used in section 13 of the pending bill and in the present law the word "constructed," making it that Congress has the right to repeal a law as to any dam authorized by this bill, whereas the original act provides as to any dam constructed, so I move to amend by adding, after the word "authorized," the words "or constructed."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 16, line 6, after the word "authorized," insert the words "or constructed."

Mr. MANN. Will the gentleman yield for a question?

Mr. BRYAN. Certainly.

Mr. MANN. Is not the term "authorized" used here a little broader and better than the original term which I used?

Mr. BRYAN. Not the term "authorized or constructed." I do not think it is broader than both.

Mr. MANN. You can not construct until it is authorized. This will apply between the time the dam is authorized and the time it is constructed.

Mr. BRYAN. Well, I think that the fact we have amended the original law by inserting the word "authorized" will raise a question of interpretation, and it is very reasonable that one who has constructed a dam will say that this original act was amended so you can repeal an act where authority has been granted, but not where the grantee had acted on that authority and constructed his dam.

Mr. THOMSON of Illinois. Mr. Chairman——

Mr. BRYAN. I yield to the gentleman from Illinois.

Mr. THOMSON of Illinois. Mr. Chairman, if a dam is constructed, it must previously have been authorized, and so the case would be met, anyhow.

Mr. BRYAN. Yes; but we have it specifically enacted here it was only in case of authority granted. Why did we amend the act? I think that it makes it broader by saying "authorized or constructed."

Mr. ADAMSON. Will the gentleman yield?

Mr. BRYAN. Certainly.

Mr. ADAMSON. The language expressly refers to dams which may be authorized, and there can not be dams until

they have been constructed, and "authorized" covers the project for all time and eternity, if the project lasts that long.

Mr. BRYAN. I think there will arise a question about the interpretation of the language.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. BRYAN].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 14. That the Secretary of War, upon the advice and with the approval of the Chief of Engineers, may lease to any applicant having complied with the laws of the State in which the dam is constructed or to be constructed by the United States, the right to develop power from the surplus water over and above that required for navigation at any navigation dam now or hereafter constructed, either with or without contribution by the applicant, and owned by the United States, and on such terms as may be deemed by the Secretary of War and Chief of Engineers for the best interests of the United States, and in awarding such lease preference shall be given to the applicant whose plans are deemed by any action of Congress or by the Secretary of War and Chief of Engineers to be best adapted to conserve and utilize in the public interest the navigation and water-power resources of the region: *Provided*, That no lease shall be made to any private corporation or applicant operating for private profit for a longer term than 50 years, and that the provisions of this act, so far as applicable, shall be made a part of the terms and conditions of any such lease, and all such leases and the parties thereto and the terms and conditions thereof shall be reported annually to Congress.

Mr. STEVENS of New Hampshire. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Hampshire offers an amendment which the Clerk will report.

The Clerk read as follows:

Strike out all of section 14 and insert in lieu thereof the following: "That the Secretary of War be, and he is hereby, authorized to enter into leases for the use of surplus water and water power generated at dams and works constructed wholly or in part by the United States in the interest of navigation, at such rates or such terms and conditions and for such periods of time, not to exceed 50 years, and with such provision for the periodical readjustment of rentals as may seem to him just, equitable, and expedient, subject, however, to the provisions of this act governing the authorization, maintenance, and operation of power plants, and to all regulations governing the use and disposition of the power, so far as the same may be applicable. And all such leases, the parties thereto and the terms and conditions thereof, shall be reported annually to Congress: *Provided*, That said Secretary of War in making such leases shall give preference to any municipal corporation or other public corporation not operated for private profit."

Mr. ADAMSON. Mr. Chairman, if the committee thinks that is more likely to serve the purpose intended, it is all right with me. I can not see any difference.

Mr. STEVENS of Minnesota. Mr. Chairman, before that is acted upon I would like to make a statement, because I am responsible for this section. The gentleman from New Hampshire [Mr. STEVENS] has practically offered the suggestions originally forwarded in the bill of the Secretary of War. I assumed the responsibility of presenting the changes to the committee, for the reason that there is a very important matter, affecting my State and section of the country, which has been pending before the Committee on Rivers and Harbors for several years, covered by this section, and I have already mentioned it in debate to this committee. I am fearful that the provision of the gentleman from New Hampshire [Mr. STEVENS] and the provision of the Secretary of War could not meet our situation. You will notice that the amendment suggested by my friend from New Hampshire makes a straight provision for a term of 50 years in all cases, and that a preference shall be given to municipalities. I think it a very great mistake to give a preference to municipalities directly in the law, for this reason: At the present time the Committee on Rivers and Harbors constructs these dams solely for the purposes of navigation. The plans of the dams and locks, their location and operation, consider navigation alone, and the question of water power from them is of slight consequence. It is planned from the use of the structures that any water power generated would be merely incidental and of very little value. And if the committee wishes, I will place in my remarks a report from the Secretary of War, which will be found in Senate Document No. 57, Sixty-second Congress, first session, covering all the plants which have been constructed since the history of the Government where the water power on Government dams has been leased by the Secretary of War under authority from Congress. And in nearly all of these cases the language of the law so authorizing such leasing has been as it appears in the bill, namely, giving the Secretary of War authority to make the best terms he can without any preference or any limitations as to terms or tenure.

Now, the result would be that if the amendment of the gentleman were adopted the municipalities situated upon navigable rivers would want to do two things: They would want to have the plans of the dams changed so that navigation would no longer be the primary consideration, but that water power would be the main consideration; and, secondly, these municipalities would endeavor to have dams constructed not so much for navigation, or ostensibly for navigation, but in reality for water power.

The result would be that there would be an increasing demand for these improvements, which would cost the Treasury of the United States enormous sums of money, and from which only slight revenue could be realized. It would enormously increase the pressure of the "pork-barrel" system, and the people outside of the favored section would then pay their money into the Treasury for the sake of helping favored municipalities get a chance to buy water power from water-power dams cheaper than could be secured in any other way and far cheaper than the investment of the Government would warrant. I think it would lead to the increase of the pressure of "pork-barrel" methods, which would be a scandal and injurious to all development of our navigable rivers. It would so affect our transportation interests that the improvement of navigable rivers would be imperiled.

Now, Mr. Chairman, the amount which the Treasury gets from all the Government dams which have been constructed since the beginning of construction, as I say, is insignificant. There are only about, I think, 28 of them in which power is sold, and 17 of them are in the State of Ohio, on the Muskingum River. These are all insignificant and the amount realized is negligible. So the amount to be realized would be comparatively small as covered by the amendment of my friend from New Hampshire, and the Secretary must do the best he can to lease many of them on any terms he can. Now, it was in my mind in making this change from the Secretary's provision to that in the bill was the best use of Government dam which is now being constructed between St. Paul and Minneapolis, and which will be finished next year. For three years I have had a bill before the Committee on Rivers and Harbors seeking the best use of this incidental power and making this proposition to the Government. The State of Minnesota has had created by its legislature a corporation without any capital stock, without any officers having power to receive any salaries. There is no possibility of any individual getting any profit out of it in any way, directly or indirectly. This corporation wishes to lease this power from the Government and pay for the plant, 3 per cent on the increased cost of the dam and works, which, of course, practically pays for the plant at the rate of interest now paid by the Government. If so acquired this corporation would divide the power into four parts, first giving the United States all it needs, and the United States is now paying about $28,000 a year for power in those two cities and at Fort Snelling, as the engineers report. Second, to give the State of Minnesota what it needs for the use of its university at Minneapolis, which would be a large amount, because the university is doing a large amount of valuable and expensive experimental work in its laboratories and shops. Lastly, the remainder of the power would be equally divided between the two cities to be used exclusively for public purposes. No one but the public could receive and use of it.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. STEVENS] has expired.

Mr. STEVENS of Minnesota. Mr. Chairman, I ask unanimous consent for five minutes more.

Mr. ADAMSON. Mr. Chairman, I would like to ask my friend this question.

Mr. STEVENS of Minnesota. Certainly.

Mr. ADAMSON. I would like to ask if he construes the language of the proposed amendment to mean that the Secretary of War is compelled to accept a proposition from municipalities, even though they are not attractive to him or within the purview of the intention of the project?

Mr. STEVENS of Minnesota. Well, he would be obliged to give them the preference.

Mr. ADAMSON. Would they not have to bring their propositions reasonably within the provisions as to the intentions and purposes?

Mr. STEVENS of Minnesota. Certainly. I will come to that later if my time allows.

The point is this, that the proposition submitted by the municipal company of Minnesota would pay the United States for this dam. It then gives the United States the right to use its power and share with whatever reduction of cost there may be, which would be considerable; and then, of course, the State of Minnesota would have its share and its large service in the use of its university. Lastly, the cities would have their public lighting at a very great reduction from present expense. No

one could get any profit. The whole benefit would go to the public.

Now, the point is that the committee will realize that this is an important matter, to be fixed so it can be practically administered. It will require a million dollars at first to finance it, and it can not be done on a 50-year basis, such as provided in the amendment of the gentleman. That is the point I desire to call attention to in this amendment and why I hope it will not be pressed. This amendment prohibits our plan being made effective by reason of the imposition of a 50-year term. If the committee adopts it, of course we can not finance our plan, and these very water-power interests which gentlemen have been so vociferous in denouncing will have a monopoly of that water power and the public utilities in that section of the United States, State, and city. The Stone-Webster people have the monopoly of the water power of that section, and they would like to acquire this dam, of course; but if they can not do that, they would like to have no other company nor the public corporation acquire it or use it.

Mr. STEVENS of New Hampshire. Mr. Chairman, will the gentleman yield?

Mr. STEVENS of Minnesota. Yes; I yield to the gentleman.

Mr. STEVENS of New Hampshire. What reason is there why the municipality can not make a lease for 50 years under the terms of this bill when they have a preference, and a private corporation could?

Mr. STEVENS of Minnesota. For this reason: There are now existing term contracts which make it impossible. The plant could not be put in operation at once. The cities and the States can not give their credit to the financing of the scheme. The backing on a financial basis must be the actual contracts that are entered into.

As I say, it will cost probably a million dollars to inaugurate the plant and build a power house and a transmission plant, which will be very expensive. The result is that the contracts which would be in sight to start the thing, to pay 3 per cent to the United States and the transmission required will not be sufficient to float the financing. The plan must be extended gradually, and the bonds can not be floated except for a long time. You realize these power companies do not like this sort of plan. It seriously interferes with their present monopoly and projects. It is easy enough for them to prevent the flotation of the bonds, because there are only a few places where they can be conserved. If these companies refuse to handle this business, the power companies will do what they please with their monopoly and this power. If they can use it they can bid for it, and if they do not want to take it they can prevent anybody else from getting it. You are putting the whole matter into their hands by limiting the authority of the Secretary of War.

I have provided for two distinct classes of applicants in the bill. The first could be the private corporations. If any private corporation secures this power it would have a 50-year term, just as the gentleman's amendment in the bill provides. But the public corporations would be under the provision of the law as it exists now, as to practically all the other Government dams heretofore constructed, giving the Secretary of War and the Chief of Engineers authority to make contracts for the best interests of the United States.

This fact, too, should be had in mind. The city of St. Paul and the city of Minneapolis have furnished the flowage rights for this valuable property of the Government. They own the banks of the river as part of their park systems. They have given to the United States those rights practically for nothing, although they are worth very many thousands of dollars. They have done that on the presumption that the United States would use this power or treat them fairly in the use of it. These facts are given in the hearings had before the Committee on Rivers and Harbors. I believe we have had two hearings. If you insist upon the 50-year period it destroys our contribution to the extent of several hundred thousand dollars, and it would give the water-power interests a monopoly of the electric business in that section of the country.

I hope the gentleman from New Hampshire [Mr. STEVENS] will not insist upon his amendment. He will notice how we have tried to guard the very thing he desires to protect. We confined the private contracts to 50 years, and made the terms of this bill applicable.

As to public leases, we have left them subject first to the committees of Congress. I think the Committee on Rivers and Harbors of the House and the Committee on Commerce of the Senate, when they frame the river and harbor bills and provide for these dams, ought to outline what should be done with them; and it strikes me that our method as proposed here is better than to lay down a single broad, rigid rule. If the Congress does not provide for it, then we leave the law as it stands. Thirty dams now, practically, are operated under the language of section 14 as it stands in the bill. So I trust the amendment will not be adopted.

Mr. ANDERSON. Mr. Chairman, will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. ANDERSON. Does the gentleman contend that they can not finance that proposition up there except on a perpetual lease?

Mr. STEVENS of Minnesota. No. The Secretary of War ought to have authority to meet an emergency. We do not want a perpetual lease. An indeterminate lease is what I had in mind. The Secretary of War could meet the situation as it would be presented to him. He does it now as to these 30 dams, and it has worked admirably. We ask that this same authority be extended to these dams hereafter to be constructed which now exists. Your general theory may be all right as to private dams, but in matters of this kind the plan which has worked well for a generation can be safely followed.

Mr. SMITH of Minnesota. Mr. Chairman, I offer an amendment, which I send to the desk.

Mr. STEVENS of New Hampshire. Mr. Chairman, the only substantial change made in section 14 by the amendment which I have offered is that no lease of water-power rights to anyone shall be for a longer period than 50 years.

Mr. Chairman, I know nothing about the local situation in Minnesota. It did seem to me, and it seems to me now, that no lease of water-power rights which belong to the Government should be given in perpetuity to any corporation, private or public. The Federal Government should keep control of that which it owns, and——

Mr. ADAMSON. Mr. Chairman, will the gentleman yield for a question?

Mr. STEVENS of New Hampshire. Yes; certainly.

Mr. ADAMSON. Would the gentleman think it safe to invest the Secretary of War with discretion where he deemed it to be in the public interest to make grants to municipalities, revocable in his discretion after the end of 50 years?

Mr. STEVENS of New Hampshire. If the lease of the power was revocable at the end of 50 years, either by the Secretary of War or by Congress, that, of course, I think, would keep the matter in the control of the Federal Government.

Mr. ADAMSON. Would not the purpose of the gentleman from Minnesota [Mr. STEVENS] be served by making that exception in the amendment of the gentleman from New Hampshire; that is, in a municipal corporation, where the public interest seems to demand it, the Secretary of War should make it revocable after 50 years in his discretion?

Mr. STEVENS of New Hampshire. Mr. Chairman, 50 years in itself is a very long period for an irrevocable lease to be given by the Federal Government to anybody. While I personally would be sorry that any particular project in Minnesota should be injured by my amendment, I still believe it to be against public policy for the Federal Government to give away forever, or in perpetuity, or for a longer period than 50 years, a public franchise which belongs to all the Nation.

Mr. STEVENS of Minnesota. Will the gentleman allow me to ask him a question?

Mr. STEVENS of New Hampshire. Yes.

Mr. STEVENS of Minnesota. Did not the gentleman understand me to say first that we do not want to grant it in perpetuity; second, that we do not want to give it away, but we want them to pay all it is worth?

Mr. STEVENS of New Hampshire. I do not think the power ought to be placed in any executive officer of the Government to grant a charter for a longer period than 50 years, and certainly not in perpetuity, which he might do if the original provision were adopted.

Mr. STEVENS of Minnesota. Does not the gentleman know that there are 30 dams operating now under identically the same language? I will place a list of them in the RECORD.

Mr. STEVENS of New Hampshire. Can the gentleman tell me whether the Secretary has granted any permanent charters?

Mr. STEVENS of Minnesota. No; to none of them. I will put them all in the RECORD.

Mr. STEVENS of New Hampshire. Has the Secretary granted any charter for a longer time than 50 years?

Mr. STEVENS of Minnesota. No.

Mr. STEVENS of New Hampshire. I do not think he ought to do so.

Mr. FALCONER. Mr. Chairman, as I understand this amendment, one of the main points is to give preference to municipal corporations over private corporations.

Mr. STEVENS of New Hampshire. Yes.

Mr. FALCONER. Mr. Chairman, I believe the amendment to be a good one in this particular: If it does give municipal corporations an advantage over private corporations, it serves the public interest to a greater degree than section 14 now in the bill. Recently I received from the cities of Seattle and Tacoma some data on hydroelectric matters, and I was struck particularly by one paragraph in the report of the superintendent of lighting of the city of Seattle, in which he says:

From the standpoint of a revenue producer, as an agency to bring commercial industries to our city, and as a factor in providing comforts for the home, Seattle's municipal light and power plant and system is the city's largest utility and its greatest. No single agency in the city of Seattle has so great an opportunity to be a city builder nor will play so important a part in winning and holding for this city the commercial supremacy of the Pacific coast.

Seattle, Mr. Chairman, is the finest lighted city in America. We boast of our Capital City, Washington, as the city beautiful. This is a beautiful city, Mr. Chairman, but if the Congress had provided the people here with as fine a municipal lighting plant as the enterprising citizens of Seattle now own, this city could afford to "turn on the light" and chase the darkness out of the streets and make more cheerful the homes of these people, and all at a rate of approximately 50 per cent of the price now charged for light service. Our cities, with their 16 and 42 story buildings, are lighted from street to dome; thousands of electric signs and great woven mazes and strings of lighted bulbs glorify our cities away yonder by the western sea; and all this, Mr. Chairman, because of municipal ownership.

I believe, Mr. Chairman, that it would be to the advantage of the public if the Department of the Interior would rule or if Congress would enact legislation providing that any municipality within a certain radius or district should have the right to locate and reserve for a number of years any water location capable of developing hydroelectric power found anywhere on the public domain, to the end that the people of any city could have the time necessary to develop the power for use of its people, without being interfered with by private concerns.

I wish to call the attention of Congress to the advantages of Pacific coast cities, showing that where the municipality owns the hydroelectric plant the price per kilowatt hour to the consumer is cut in two.

The fact is, Mr. Chairman, that when private companies had the exclusive franchise, and furnished light to consumers, the price was as high or higher than the consumers now pay in this city—Washington, the Capital of our Nation.

TACOMA, ENTERPRISING CITY.

In the city of Tacoma a few years ago the people paid 11 cents per kilowatt hour for light, and paid that price to a private company to which the good people of Tacoma had generously given a valuable franchise.

The city of Tacoma finally put in its own equipment, but had no power plant. A private concern had excess power, and it offered to the city of Tacoma a contract to furnish light for something like 8 mills, or a price less than 1 cent per kilowatt hour, for which they had been charging to consumers over their own lines and equipment 11 cents. The city of Tacoma took up the proposition, and sold to its patrons electric light for the lighting of private residences at the rate of 6 cents per kilowatt hour, practically cutting in two the rate which had been formerly charged by the private corporation. I have data showing that while the Stone and Webster people were furnishing power to the city of Tacoma at 8 mills, and the city of Tacoma was reselling and furnishing it to its patrons over municipal equipment for 6 cents per kilowatt hour, neighboring cities, receiving its light from a private concern, were paying 11 cents per kilowatt hour, the power coming from identically the same source.

This goes to show that the public utilities of the country ought to go first to the municipalities, because in that way it brings the greatest amount of good to the people, and as a revenue producer the western cities which own hydroelectric plants have reduced their municipal taxes, this being due to earnings from the municipal plant, even when the service was furnished at greatly reduced rates.

Mr. Chairman, I can not emphasize too strongly the advantages of municipal ownership of public utilities.

The city of Tacoma, a great manufacturing and commercial city, demonstrates the worth of municipal ownership. The lighting and power rates of that city are probably the lowest in the country. Great manufacturing establishments use electric power. For some years a logging company a few miles from the city used electric power. Out in the harbor, as you approach the city at night, you are impressed with the magnificence of the electric lighting.

Must I repeat, Mr. Chairman, it is due to municipal ownership?

I ask unanimous consent to extend my remarks by printing in the RECORD some figures showing advantages of municipal ownership of public utilities.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks. Is there objection?

There was no objection:

The matter is as follows:

TACOMA LIGHT RATES.

SEC. 17. Rates for illumination: The rates for electric current for illuminating purposes shall be for the quantity used in any one month, as indicated by the meter or meters which shall be installed on the service for the purpose of registering the quantity of electric current used, and except where otherwise provided shall be as follows:

The minimum charge shall be 50 cents per month.

For 8 kilowatt hours or less per month or fraction thereof, 50 cents.

From 8 to 50 kilowatt hours per month or fraction thereof, 5½ cents per kilowatt hour.

For each additional kilowatt hour in excess of 50 and up to 100 kilowatt hours per month or fraction thereof, 5 cents per kilowatt hour.

For each additional kilowatt hour in excess of 100 and up to 2,000 per month or fraction thereof, 4 cents per kilowatt hour.

For each additional kilowatt hour in excess of 2,000 in any one month or fraction thereof, 3 cents per kilowatt hour.

Rates for lighting and cooking: The rates for electric current for combination lighting and cooking, and the method of classification upon which said rates are based shall be as follows:

Method of classification: Each dwelling shall be divided into two parts. The first part shall consist of those rooms most used, including living room, parlors, library, dining room, kitchen, and pantry, and shall be designated the "working part." The second part shall consist of those rooms less frequently used, such as hallways, bedrooms, bathrooms, etc., and shall be designated the "idle part." For the purpose of computing the floor space as provided in the schedules given below, all the floor space of the "working part" of the house shall be counted and one-half of the area of the "idle part," and the total shall constitute the equivalent floor space of the house.

SCHEDULE CLASS "A."

Includes all dwelling houses and apartments having a floor space, computed as above, of not more than 500 square feet:

Minimum charge, $1 per month.

For the first 15 kilowatt hours used during any month, 6 cents per kilowatt hour.

All current in excess of 15 kilowatt hours during any month, 1 cent per kilowatt hour.

SCHEDULE CLASS "B."

Includes all dwelling houses and apartments having a floor space of not less than 500 nor more than 1,000 square feet:

Minimum charge, $1.50 per month.

For the first 25 kilowatt hours used in any month, 6 cents per kilowatt hour.

All current in excess of 25 kilowatt hours in any month, 1 cent per kilowatt hour.

SCHEDULE CLASS "C."

Includes dwelling houses and apartments having a floor space, computed as above, of not less than 1,000 nor more than 2,000 square feet:

Minimum charge, $1.50 per month.

For the first 40 kilowatt hours used in any one month, 6 cents per kilowatt hour.

All current used in excess of 40 kilowatt hours during any month, 1 cent per kilowatt hour.

SCHEDULE CLASS "D."

Includes dwelling houses and apartments having a floor space, computed as above, of over 2,000 square feet:

Minimum charge, $1.50 per month.

For the first 60 kilowatt hours used during any month, 6 cents per kilowatt hour

All current used in excess of 60 kilowatt hours during any month, 1 cent per kilowatt hour.

[As amended by ordinance No. 5364, passed June 4, 1913.]

SEC. 18. The rates for electric current for hospitals and kindred charitable institutions shall be the same as those prescribed in section 17, subject to a discount of 20 per cent provided the previous month's bill is paid on or before the 15th day of each month.

SEC. 19. Rates for power: The price for current for industrial power shall be as follows:

Load factor.	Kilowatt hours.	Per kilowatt hour.
10	72	$0.024
11	79	.0235
12	86	.0225
13	93	.022
14	100	.0215
15	108	.021
16	115	.0205
17	122	.0195
18	129	.0187
19	136	.018
20	144	.0175
21	151	.017
22	158	.0165
23	165	.016
24	173	.0155
25	180	.015
26	187	.0145
27	194	.014
28	201	.0138
29	209	.0135
30	216	.0132
31	223	.0129
32	230	.0125
33	237	.0122
34	245	.012
35	252	.0118

Load factor.	Kilowatt hours.	Per kilowatt hour.
36	259	$0.0115
37	266	.0114
38	273	.0112
39	281	.0109
40	288	.0107
41	295	.0105
42	302	.0103
43	309	.0101
44	316	.00993
45	324	.0097
46	331	.00951
47	338	.00935
48	345	.0094
49	353	.009
50	360	.00887
55	396	.00818
60	432	.0074
65	468	.00688
70	504	.00637
75	540	.00538
80	576	.0056
85	612	.005282
90	648	.004965
95	684	.004732
100	720	.0045

SEC. 20. Special rates: Special rates may be made by the superintendent, with the concurrence of the commissioner of light and water, for current used between 8 a. m. and 4 p. m., or at such other hours as in his judgment may seem expedient.

SEATTLE LIGHTING RATES.

The rate schedule now in use by the lighting department became effective July 1, 1912. The rates in detail are printed below. For residence lighting the rate is 6 cents per kilowatt hour for the first 60 kilowatt hours used per month and 4 cents for all current above 60 kilowatt hours per month, and the minimum monthly charge is 50 cents. Rates for power and for ousiness lighting are arranged on a sliding schedule, which makes the rate lower the more hours per day current is used. The basis of each schedule is a logarithmic curve, as shown in figure 2. The actual price per kilowatt hour obtained during the year 1913 was for residence lighting, 5.988 cents; for business lighting, 2.757 cents; and for power, 1.549 cents. The rate schedule in detail as fixed by ordnance follows:

A. For all constant potential arc and incandescent loads used for residence lighting purposes:

0 to 60 kilowatt hours, per month, 6 cents per kilowatt hour.

All over 60 kilowatt hours, per month, 4 cents per kilowatt hour.

The above rates include the use of clear carbon or metallized filament lamps. The same schedule of charges shall be made for churches as for residence lighting. The minimum charge for each meter installed for residence lighting shall be 50 cents per month. In apartment houses each apartment shall be classed as a separate residence.

B. For all constant potential arc and incandescent loads used for business lighting purposes:

0 to 100 kilowatt hours per month, inclusive, per connected kilowatt, 5 cents.

139 kilowatt hours per month, per connected kilowatt, 4 cents.

213 kilowatt hours per month, per connected kilowatt, 3 cents.

278 kilowatt hours per month, per connected kilowatt, 2½ cents.

388 kilowatt hours per month, per connected kilowatt, 2 cents.

593 kilowatt hours per month, per connected kilowatt, 1½ cents.

720 and over kilowatt hours per month, per connected kilowatt, 1.32 cents.

Intermediate kilowatt hours consumption shall be charged at intermediate rates. A minimum rate shall be charged for all business lighting, such minimum to be fixed by the superintendent, but in no case to be less than $1 per month.

C. Rates for power purposes based on a connected load of less than 1 horsepower shall be computed on same basis as business lighting rates. Rates for power purposes based on a connected load of 1 to 20 horsepower, inclusive, of 746 watts per horsepower per month, shall be as follows:

0 to 100 kilowatt hours per month, inclusive, per connected kilowatt, 4 cents.

146 kilowatt hours per month, per connected kilowatt, 3 cents.

187 kilowatt hours per month, per connected kilowatt, 2½ cents.

250 kilowatt hours per month, per connected kilowatt, 2 cents.

366 kilowatt hours per month, per connected kilowatt, 1½ cents.

628 kilowatt hours per month, per connected kilowatt, 1 cent.

720 and over kilowatt hours per month, per connected kilowatt, 0.9 cent.

Intermediate kilowatt hours consumption shall be charged at intermediate rates.

Rates for power purposes based on a connected load of 21 to 100 horsepower, inclusive, of 746 watts per horsepower per month, shall be as follows:

0 to 100 kilowatt hours per month, inclusive, per connected kilowatt, 4 cents.

138 kilowatt hours per month, per connected kilowatt, 3 cents.

219 kilowatt hours per month, per connected kilowatt, 2 cents.

304 kilowatt hours per month, per connected kilowatt, 1½ cents.

480 kilowatt hours per month, per connected kilowatt, 1 cent.

540 kilowatt hours per month, per connected kilowatt, 0.9 cent.

720 and over kilowatt hours per month, per connected kilowatt, 0.7 cent.

Intermediate kilowatt hours consumption shall be charged at intermediate rates

Rates for power purposes based on a connected load of 101 horsepower and over, of 746 watts per horsepower per month, shall be as follows:

0 to 100 kilowatt hours per month, inclusive, per connected kilowatt, 3 cents.

157 kilowatt hours per month, per connected kilowatt, 2 cents.

215 kilowatt hours per month, per connected kilowatt, 1½ cents.

336 kilowatt hours per month, per connected kilowatt, 1 cent.

430 kilowatt hours per month, per connected kilowatt, 0.8 cent.

590 kilowatt hours per month, per connected kilowatt, 0.6 cent.

720 and over kilowatt hours per month, per connected kilowatt, 0.5 cent.

Intermediate kilowatt hours consumption shall be charged at intermediate rates.

A minimum charge of $1 per month shall be made for each connected horsepower.

The rate for electric elevator service shall be 2½ cents per kilowatt hour, subject to a minimum monthly charge of $1 per connected horsepower.

The rate for street lighting shall be 4½ cents per kilowatt hour, measured at the substation, lamps and maintenance included.

Before the municipal plant was projected the rate of residence lighting for the first current used per month was 20 cents per kilowatt hour. In 1902, when construction work was begun on the municipal plant, the private corporation reduced its rate to 12 cents per kilowatt hour. When the first contract was taken by the municipal plant in 1905 its rates for residence lighting were fixed at 8½ cents for the first 20 kilowatt hours per month, 7½ cents for the second 20 kilowatt hours per month, 6½ cents for the third 20 kilowatt hours per month, and 4 cents for all in excess of 60 kilowatt hours per month. At this time the private corporation lowered its rate to 10 cents for the first 20 kilowatt hours, 9 cents for the second 20 kilowatt hours, and 8 cents for the third 20 kilowatt hours, with a 10 per cent discount for prompt payment.

In the beginning of 1910, when the number of customers of the municipal plant had begun to increase rapidly, the private corporation again reduced its rates to 9½, 8½, and 7½ cents, with 10 per cent discount for prompt payment, which made its rate practically equivalent to that of the municipal plant. In June, 1911, the municipal plant lowered its rate for residence lighting to 7 cents for the first 60 kilowatt hours and 4 cents for all in excess of 60 kilowatt hours per month, and at the same time reduced the minimum monthly charge which had heretofore been $1 to 75 cents. In November, 1911, the private corporation reduced its rate to meet that of the city. In June, 1912, the municipal plant again reduced its rate to 6 cents per kilowatt hour for the first 60 kilowatt hours per month and 4 cents for all in excess of 60 kilowatt hours per month, and fixed the minimum monthly charge at 50 cents. The private corporation reduced its rate to meet that of the city in July of the same year. While it would be impracticable to quote all the various rates for business and power that have been in effect in the city, these rates have, in general, declined since the municipal plant began operating in a manner similar to the rates for residence lighting.

The rate charged by the private corporation for street lighting in 1905 was $66 per year per 6.6 ampere arc lamp, and $15 per year per 30 candlepower incandescent. The rate charged by the municipal plant up to 1913 was $54 per year per 6.6 ampere arc, and $13.80 per year per 40 candlepower incandescent. This was a reduction of 18 hours per month and 4 cents for all in excess of 60 kilowatt hours per month per cent for the arc lamp, and an 8 per cent reduction in price with 33 per cent increase in light for the incandescent lamp. When the cluster lighting system was constructed, the allowance from the general fund to the lighting department was:

5-globe cluster lights, 200 watt	$42
3-globe cluster lights, 120 watt	30
1-globe cluster lights, 75 watt	21

At the beginning of 1913 the rate fixed by ordinance for street lighting was 4½ cents per kilowatt hour for all current used, measured at the distributing station. This rate includes maintenance and operation of the entire street-lighting system.

Under the new rate any increase in the efficiency of lighting or distribution will go to benefit the city. With the introduction of the new nitrogen-filled tungsten lamps by the lighting department there has been a marked decrease in the rate per candlepower per year for street lighting.

Statement of revenues, expenses, and surplus earnings.

Years.	Revenues.	Expenses, including interest.	Depreciation.	Surplus.	Deficit.
1905	$45,470.10	$64,346.85			$18,876.75
1906	117,299.93	88,819.37	$39,505.99		11,025.43
1907	198,793.27	129,475.53	45,231.38	$24,086.36	
1908	317,840.18	186,882.06	104,424.65	26,533.48	
1909	468,386.65	225,864.23	143,063.14	99,459.28	
1910	598,514.92	299,550.76	195,537.00	103,427.16	
Total	1,746,305.05	994,938.79	527,762.16	253,506.28	29,902.18

The depreciation and surplus funds have thus far been used in making extensions to the plant.

Year.	Revenues.	Expenses.	Depreciation.	Surplus.	Deficit.
1911	$727,383.79	$412,367.99	$161,581.57	$153,434.23	
1912	786,932.89	502,637.65	88,035.71	191,696.53	
Two years	1,514,316.68	915,005.64	249,617.28	345,130.76	

CITY LIGHT.

(Bulletin No. 11.)

Do you know, Mr. Taxpayer, that your city light plant is the foremost municipal plant in America? It has made good. It is in no sense a tax burden. It has cut the rates for lighting your homes to one-third the former rates. The correct financial statement for 1913 is as follows:

Revenues.

Sales of current to private individuals	$659,673.08
Miscellaneous revenues	5,714.28
Municipal buildings and street lighting	245,089.99
Total revenues	910,477.35

Expenses.	
Operation, maintenance, and reconstruction	358,861.82
Interest	83,625.00
Depreciation	193,332.85
Sinking fund	32,400.00
Total expenses	668,219.67
Net surplus earnings	242,257.68
Total	910,477.35

Mr. Taxpayer, we have invested $1,500,000 of our earnings in plant extension; we have forced a reduction in light rates amounting to a saving of $3,000,000 annually on your light and power bills. This is equal to three-quarters of the taxes you pay to run your city government. Watch for our next bulletin.

J. D. ROSS,
Superintendent of Lighting.

Mr. Chairman, can any man look over these facts and then doubt the wisdom of municipal ownership of public utilities?

In the year 1913 the net surplus earnings, clear of all expenses, including depreciation, brought to the people of the city of Seattle $242,257.68; and that amount, sir, at the extremely low rates above given.

At that rate of earnings, the city of Washington, a city of approximately the same population, where the expenses and depreciation should not exceed in amount the Seattle figures—and would not if Great Falls were developed—and with the present rates charged here, this city should have net earnings of over three-quarters of a million dollars annually.

The people should have this benefit. It is due them. The administration should wake up on this question of municipal ownership, develop Great Falls, take over the lighting and street railway systems, and demonstrate to the country that it recognizes the common rights of the whole people.

This amendment giving municipalities preference over private concerns should carry; common right demands it.

Mr. SMITH of Minnesota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

After the proviso insert:

"*Provided*, That as between contesting applicants for a permit hereunder, due regard shall be given to the use and purpose for which such permit is required, priority of purpose and of benefits conferred by such permit, and project to rank in the following order:

"First. Benefits to navigation and conservation of water resources.

"Second. Public use of the State, the municipal subdivisions thereof, and public institutions.

"Third. Industrial use for agriculture and mining.

"Fourth. Commercial power for sale, barter, and exchange, and for use by public-service corporations.

"Fifth. Use for manufacturing industries."

Mr. SMITH of Minnesota. Mr. Chairman, I wish to call the attention of the committee to the law of British Columbia on this subject, enacted in 1909 and amended in 1911. It is as follows:

All such licenses shall be issued with due regard to the purposes for which they are required and according to the following order, except in so far as such order is varied by regulation or by direction of the minister: First, licenses for domestic purposes; second, licenses for municipal purposes; third, licenses for irrigation purposes; fourth, licenses for steam or manufacturing purposes; fifth, licenses for power purposes; sixth, licenses for mining purposes; seventh, licenses for lumbering purposes.

Gentlemen, it occurs to me that any bill that this House passes having for its purpose the regulation of the construction of dams across navigable rivers, and the regulation of such dams and the power and electric current generated thereby, should include the provisions in reference to priority of purpose and use which our neighbor to the north has seen fit to adopt and make a part of its laws on this subject. My colleague has pictured the true situation at Minneapolis and St. Paul, and it would be an injustice to these cities if they were compelled to go into the open market and bid for this power against the trust that has control of practically all the water powers of the State of Minnesota except this high dam. I believe the term of the lease could be safely left to the discretion of the Secretary of War, as provided in the committee bill; however, the term of the lease is not of paramount importance. A guaranty in the bill that the municipalities and the State would have a prior right to the use of this power is at least of as much consequence to the municipalities and the State as the length of the term of the lease, and I trust that the amendment that I have offered will be adopted, because nowhere in this bill is there any provision giving to the State or subdivision thereof any privilege over that granted to public-service corporations, which is contrary to the policy adopted by all progressive countries that have enacted legislation covering this subject. Furthermore, if the amendment which I have proposed is agreed to, every State and subdivision thereof which desires to use the water power generated by any public dam will have a prior right to obtain the same over that of public-service corporations. It will also lighten the burden of the Secretary of War in awarding these leases by establishing a just and equitable rule of priority.

The authors of the pending measure have wisely provided in their bill that the interests of navigation shall be paramount to the use of such dams by grantees for power purposes, thus recognizing the principle of the priority of use and purpose as to navigation. The proposed amendment extends the principle of priority to public uses of the State, the municipal subdivisions thereof, and public institutions. If the State and the municipal subdivisions thereof are to be denied priority in the use of the water in navigable rivers over that of public-service corporations, then the State or its subdivisions may be denied the use of water for domestic purposes, which is an unheard-of doctrine and one to which the American people will never consent.

Mr. STEVENS of Minnesota. Mr. Chairman, I ask unanimous consent to make a correction. I stated that the Secretary of War had not given authority for more than a 50-year term. On the Tennessee, at Hales Bar, the city of Chattanooga had a grant of use of water power for 99 years. At White, Ark., above Lock No. 3, J. A. Omberg, jr., has a grant for the use of water power for 99 years.

The CHAIRMAN. The question is on the amendment to the amendment.

The question was taken, and the amendment to the amendment was lost.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New Hampshire.

The question was taken; and on a division (demanded by Mr. STEVENS of New Hampshire) there were 30 ayes and 13 noes.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 15. That no works constructed, maintained, and operated under the provisions of this act shall be owned, trusteed, or controlled by any device or in any manner so that they may form a part of, or in any manner effect, a combination in the form of an unlawful trust or form the subject of an unlawful contract or conspiracy to limit the output of electric energy or in restraint of the generation, sale, or distribution of electric energy, or the exercises of any other business contemplated: *Provided, however*, That it shall be lawful under the approval of the Secretary of War for different grantees to exchange and interchange currents, to assist one another whenever necessary, by supplementing the currents or power, and enable any grantee to secure assistance to carry on the business and supply his customers, account ing therefor and paying therefor under regulations to be prescribed by the Secretary of War.

In no case shall such an arrangement be permitted to raise the price, render unjust or unfair any practice, work, or discrimination, or operate in restraint of trade.

Mr. STEVENS of New Hampshire. Mr. Chairman, I would like to suggest an amendment in the first line of the section which I think the committee will be willing to accept. It is this: Page 16, line 10, after the word "no," insert the words "rights or privileges granted under this act and."

The CHAIRMAN (Mr. MOON). The Clerk will report the amendment.

The Clerk read as follows:

Page 16, line 10, after the word "no," insert the words "rights or privileges granted under this act and."

Mr. THOMSON of Illinois. Will the gentleman yield?

Mr. STEVENS of New Hampshire. Yes.

Mr. THOMSON of Illinois. Ought not the gentleman to add the word "no" to his amendment?

Mr. STEVENS of New Hampshire. Yes; I will modify the amendment by adding the word "no."

The CHAIRMAN. The Clerk will again report the amendment.

The Clerk read as follows:

Page 16, line 10, after the word "no," insert the words "rights or privileges granted under this act and no."

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. STEVENS of New Hampshire. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Add at the end of the section a new paragraph, to read:

"If any grantee shall violate the provisions of this section he shall forfeit all rights and privileges conferred by this act."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. STEVENS of New Hampshire. Mr. Chairman, I would like to offer an amendment as a new section, to be inserted at this place, as section 16a. It does not seem to fit in with section 15. It is this:

Except upon the written consent of the Secretary of War, no sale or delivery of power shall be made to a distributing company.

Mr. ADAMSON. If that goes in at all, it ought to go into section 11.

Mr. STEVENS of New Hampshire. Then, Mr. Chairman, I will ask unanimous consent to return to section 11.

The CHAIRMAN (Mr. GARNER). The gentleman from New Hampshire asks unanimous consent to return to section 11 for the purpose of offering an amendment.

Mr. UNDERWOOD. Reserving the right to object, I suggest that we finish the bill first. I do not know that I will object then to going back.

Mr. ADAMSON. The gentleman from New Hampshire was trying to offer an amendment to this section, and I suggested that, if it went in at all, it ought to go into section 11.

Mr. STEVENS of New Hampshire. I think it might go in in the place I offered it. I made the request to return to section 11 at the suggestion of the chairman of the committee.

Mr. MANN. Let the amendment be reported.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

At the end of section 11 add a new paragraph, to read as follows: "That, except upon the written consent of the Secretary of War, no sale or delivery of power shall be made to a distributing company."

The CHAIRMAN. Is there objection to returning to section 11 for the purpose of offering this amendment? [After a pause.] The Chair hears none. The question is on the amendment offered by the gentleman from New Hampshire.

Mr. STEVENS of New Hampshire. Mr. Chairman, I would like to say just a word about the amendment unless the gentleman from Georgia accepts the amendment.

Mr. ADAMSON. I accept the amendment.

Mr. COOPER. Mr. Chairman, I do not rise to oppose the amendment. It is in accord with the general policy of the bill which is to convey tremendous power over the navigable streams of the country to the Secretary of War. I wish to direct the attention of the committee to the fact that this measure furnishes an exception to the general policy of the Government in disposing of the public property. The general bridge act allows no bridge to be constructed over any navigable stream without the subject first being brought before Congress, and Congress itself knowing where and by whom it is proposed to have the bridge constructed and being afforded an opportunity to grant or to refuse to grant the necessary authority to construct that particular bridge. And the other day the gentleman from Alabama [Mr. UNDERWOOD] secured the adoption of an amendment to the reclamation law by which hereafter the power to dispose of the millions coming from the sale of public lands is not to be exercised under the unlimited discretion of the Reclamation Bureau, but by which every reclamation project must be submitted to the appropriate committees of Congress and then to the Congress itself before any money for reclamation purposes can be expended. But here we propose to turn over two or three hundreds of millions of horsepower under a general law, and to turn the navigable streams, so far as the construction of dams and the selection of grantees are concerned, over to the unlimited discretion of the Secretary of War and the Chief of Engineers.

Mr. ADAMSON. Mr. Chairman, will the gentleman yield?

Mr. COOPER. Yes.

Mr. ADAMSON. I wish to call the attention of the gentleman to the fact that it is necessary under this bill that each project shall first go through Congress by a special act before the Secretary of War can approve of it.

Mr. COOPER. I had not so understood the bill.

Mr. ADAMSON. That is the law. There must be a special bill authorizing the Secretary of War to approve plans before it can be done, and this proposition relates only to the distribution of power and the regulation of the charges and practices after the dam is completed.

Mr. COOPER. I did not so understand the bill.

Mr. ADAMSON. It does not change that feature of the law at all. They will always have to bring in special bills.

Mr. ESCH. Mr. Chairman, my colleague may have had in mind the proposed bill of the Secretary of War.

Mr. COOPER. Mr. Chairman, I know that there was a bill in which it was provided that exclusive power in the particulars I have mentioned should be given to the Secretary of War.

Mr. ADAMSON. That was the Secretary's bill, but we did not adopt it in toto.

Mr. COOPER. Then I was in error. I had not understood that to be the case, not having been here when the bill was taken up. The print of this bill is such a difficult thing to read, there being the text of the bill, with some amendments in italics and some in brackets, that I had not observed that the original bill proposed by the Secretary of War had been changed in that particular. It is exceedingly significant that the Secretary of War should propose a bill for a general law to authorize him, in his discretion and without the previous knowledge of Congress, to permit dams to be built in the navigable streams of the country, wherever and by whomsoever he might see fit to have them built. No man ought to have such a power as that.

Mr. ADAMSON. I call the attention of the gentleman from Wisconsin to the fact that in the other bill about the public domain the absolute power and discretion are given to the Secretary of the Interior without any special act of Congress.

Mr. SMITH of Minnesota. Mr. Chairman, I ask unanimous consent that the amendment of the gentleman from New Hampshire be again reported.

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection, and the Clerk again reported the amendment.

Mr. SMITH of Minnesota. Mr. Chairman, I move to strike out the last word. This brings to our attention the very thing that I tried to call to the attention of the committee in my amendment, and that is that it is necessary for the Secretary of War to have control over the regulation and services of electric current supplied to connecting companies. As a general rule, the lessee generates the power and sells it to subsidiary companies; and if the Secretary of War has not the power to regulate the service and charges of the subsidiary or connecting companies, in what way will the consumer be protected from an admitted monopoly?

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Minnesota. Certainly.

Mr. McKENZIE. Mr. Chairman, I have listened to this discussion, and I have listened to the remarks of the gentleman from Wisconsin [Mr. COOPER]. I would like to ask the gentleman from Minnesota [Mr. SMITH], who seems to have taken a great deal of interest in this bill, if he does not consider that this is an unwise delegation of power to the Secretary of War, and would it not be the part of wisdom for Congress to establish a scale of charges rather than to give the Secretary of War the unlimited power to say what the prices shall be for the energy sold as developed by these water powers?

Mr. SMITH of Minnesota. Mr. Chairman, in the main I agree with the gentleman from Illinois [Mr. McKENZIE]. I believe that the power that you are placing in the hands of the Secretary of War in this bill is greater than he should have. I believe that it is placing a burden upon him that he is not fitted to carry. We had an illustration here yesterday of what war is, and how necessary the Secretary of War is in war times. This legislation is to take care of matters in times of peace.

It is the industry and commerce of this country that we are legislating for, and I heartily agree that we should at this time provide a commission that will, at least, rise to the dignity of a commission that can handle such a vast proposition. It is unwise to build up in the War Department a bureau that is unnecessary when we have other departments of our Government that are now equipped to handle the matter, in a partial way at least, though probably not the best.

But to get back to the original proposition, and that is that in any bill you pass at this time if you are going to have regulation that amounts to anything you have to have it extend to subsidiary and connecting companies. Furthermore, the amendment that is offered simply requires the consent of the Secretary of War to the sale to subsidiary companies. It is of more value to the consumer than the present section. If you are going to amend this section, why not adopt a provision that will extend effective regulation over service and charges to the connecting or subsidiary company? I am glad that the gentleman from New Hampshire has seen the necessity for amending the committee bill in this respect.

Mr. STEVENS of New Hampshire. Mr. Chairman, I ask unanimous consent to modify the amendment by adding at the end the words "except in case of an emergency."

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment.

The Clerk read as follows:

Modify the amendment by adding at the end of it the words "except in case of an emergency."

The question was taken, and the amendment as modified was agreed to.

The Clerk read as follows:

SEC. 17. That all of the provisions in sections 2, 3, 4, 5, 11, and 15 of this act fixing conditions of the consent of Congress and regulating

practices and charges between the grantees and their customers for the construction, maintenance, and operation of dams in the navigable waters of the United States shall apply alike to all existing enterprises in operation or previously authorized in the navigable waters of the United States in which the approval and supervision of the Secretary of War and Chief of Engineers are required, as well as to new projects in the navigable waters of the United States for which the consent of Congress may hereafter be granted, in the construction, maintenance, and operation of which the approval and supervision of the Secretary of War and Chief of Engineers shall be required. All conflicting provisions contained in any previous act of Congress granting consent for the construction, maintenance, and operation of any dam in the navigable waters of the United States in the construction, maintenance, and operation of which the approval and supervision of the Secretary of War and the Chief of Engineers were required are hereby repealed, and all such previous authorizations are so altered, amended, and modified hereby as to conform to all the conditions and provisions in said sections 2, 3, 4, 5, 11, and 15 of this act.

Mr. RAINEY. Mr. Chairman, I move to strike out the last word for the purpose of getting some information from the chairman of the committee. I would like to ask the chairman of the committee if any companies are now operating under a perpetual franchise?

Mr. ADAMSON. I understand some are.

Mr. RAINEY. Is it the intention of the committee to reach these perpetual franchises and limit them so that they will run only for 50 years?

Mr. ADAMSON. That is my desire. In effect it is first to put a tax on each, which we have done, and make the old ones pay as well as the new, and then to put the conditions, regulations, and requirements upon the old ones as well as the new. As to the 50-year proposition, whether it can be done or not I do not know. I doubt if you can, but I do not know.

Mr. RAINEY. This section makes it applicable to existing projects?

Mr. ADAMSON. If the gentleman will let me answer just a little further.

Mr. RAINEY. Certainly.

Mr. ADAMSON. I felt like if we were going to put strict regulations which would reach to the new ones they ought to relate back to the old ones in granting consent to whom we had reserved that right, and that in fixing conditions under which they should build and operate those conditions ought to relate to the old ones, and if the public in any locality could be protected in the same way the same burden should be put upon all alike, the old and the new. As to the 50-year proposition I leave that to the gentleman.

Mr. RAINEY. That being the intention of the committee, I would like to call attention to the fact that this section of this bill only makes it applicable to provisions in sections 2, 3, 4, 5, 11, and 15 of this act.

Mr. ADAMSON. If there is any other section that ought to be put in there, it is all right.

Mr. RAINEY. The only other sections reaching the Keokuk Dam and these perpetual franchises, and making it 50 years instead of 10,000 years, are sections 9 and 10.

Mr. ADAMSON. I am willing to say that all of the provisions of this bill shall apply, if practicable.

Mr. RAINEY. Then, Mr. Chairman, I offer this amendment: After the word "five," in line 21, page 17, insert the words "nine and ten," and after the word "five," in line 19, page 18, insert the words "nine and ten."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

After the word "five," in line 21, page 17, insert the words "nine and ten," and after the word "five," in line 19, page 18, insert the words "nine and ten."

The question was taken, and the amendment was agreed to.

Mr. RAKER. Mr. Chairman, I move to strike out the last word. The original section 17 of this bill as presented and reported by the committee was so far-reaching I took occasion to go into the matter, and desire to insert in the RECORD at this time what a far-reaching effect it would have had upon the legislation of the country had it been adopted. The present amended section 17, which has been substituted by the committee, practically relieves those embarrassing conditions. I feel that I ought to call the attention of the committee to the fact and show how sometimes we override past legislation and do not fully consider the repealing clauses of bills. Much consideration was given to the new section 17, which was substituted for the original section 17, as it was first reported to the House. The amendments will remove all danger of its repealing or affecting the acts of Congress relating to the public lands under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture as well as those special acts of Congress, such as the Hetch Hetchy bill and others of like import.

The following acts would have been repealed or materially modified, which would have been most injurious, namely:

ACTS OF CONGRESS WHICH MIGHT HAVE BEEN REPEALED OR DIRECTLY OR INDIRECTLY AFFECTED BY HOUSE BILL 16053, SECTION 17, IF THE SAME HAD NOT BEEN AMENDED.

The act of March 3, 1891 (26 Stat., 1095), amended by act of May 11, 1898 (30 Stat., 404), an act authorizing grants for irrigation reservoirs, etc., on public lands and reservations.

The act of February 15, 1901 (31 Stat., 790), authorizing use of public lands for electrical plants, dams, etc.

The act of February 1, 1905 (33 Stat., 628), authorizing grants for dams and reservoirs in forest reserves for municipal or mining purposes.

The Federal reclamation act of June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplemental thereto.

Sections 2339 and 2340 of the Revised Statutes.

The grant to the city of Los Angeles (34 Stat., 801).

The grant to the city of San Francisco, act of December 19, 1913.

The grant to the Edison Electric Co. (34 Stat., 163).

Various other private grants to cities, corporations, and individuals authorizing the occupation of public lands by dams and reservoirs for irrigation and power purposes.

So far as it relates to dams and navigable waters, the river and harbor act of March 3, 1899 (30 Stat., 1150–1152).

The general dam act of June 21, 1906 (34 Stat., 386), reenacted June 23, 1910 (36 Stat., 593).

Numerous special acts by which Congress authorized the construction of dams in navigable waters.

It is happy indeed that the committee have changed this section 17 and put it in the shape now so as not to repeal these various acts and others not referred to.

Mr. MANN. Will the gentleman yield?

Mr. RAKER. Yes; I yield to the gentleman.

Mr. MANN. Why does the gentleman and others say this act would be repealed and all of these other acts?

Mr. RAKER. Well, the language of this section reads as follows:

SEC. 17. That all provisions in this act contained fixing conditions upon which the consent of Congress is granted for the construction of dams shall apply alike to all existing enterprises in operation or authorized as well as to new projects to which the consent of Congress may hereafter be granted. All conflicting provisions contained in any act of Congress granting consent to the construction of any dam are hereby repealed, and all such previous authorizations are so altered, amended, and modified hereby as to conform to all of the conditions and provisions incorporated in this act.

It is a general sweeping statement that all of these authorizations would be repealed. Now every private dam, every act granting a private individual the right to dam up any waters of a stream, would be repealed; and if the contention is correct that the Secretary of War should have power to follow up every stream to its source, saying that the water coming down from that may be used for the purpose of navigation, there would not be a private dam or an irrigator or otherwise upon the public domain or any branch of those streams that would not be affected by the bill, and I am satisfied that the committee did not intend it that way, because their subsequent amendment, after the situation was called to their attention, shows it, and they have happily left the law upon the subject as it now exists and provided that these laws are not affected. This is as it should be.

We of the West were much interested in this legislation, and we were well pleased when the committee having the bill in charge consented to the amendments suggested to section 17. We could not afford to leave any doubt as to its effect on the Hetch Hetchy bill and the other acts of Congress, which I have just read, and the law relating to the use of public lands upon which dams, ditches, canals, and so forth could be built and used in general irrigation.

Mr. MANN. Mr. Chairman, I do not know who had this nightmare, but whoever it was had eaten a bad kind of pie.

Mr. ADAMSON. There is no doubt about that.

Mr. MANN. If it be true, however, that the provision inserted, which the gentleman refers to, is necessary, then under the existing law these dams which have been constructed have been constructed in violation of law, because existing law is in practically the same language as in this law as to the cases to which they are applied. There is no distinction. This bill under its terms applies only to those cases where the consent of Congress is required for the construction of dams across navigable waters of the United States. That is in the first section, and that is all there is to it, and that is in the existing law.

Mr. RAKER. Will the gentleman yield right there?

Mr. MANN. Yes.

Mr. RAKER. While it may be a nightmare with some, I do not believe it is with a great majority.

Mr. MANN. Well, I did not yield for that. If the gentleman wants to say he has not the nightmare, that is all right. No man who has had a nightmare admits it when he feels good. The man who has the nightmare thinks it is reality. That is the trouble with the gentleman.

Mr. RAKER. As joining in this nightmare I find the legal advisers of the Department of the Interior and the Geological Survey and other great departments of this Government agreeing with me in this matter.

Mr. MANN. I do not think they have any legal advisers in either of those departments. If they have, they never communicate with Congress. Of all the rotten bills that are ever sent from any department of the Government, the rottenest come from the Interior Department—form, substance, and everything else. The gentleman would not claim they had a lawyer up there. But if it is true, the gentlemen up there ought to examine the existing law, which has been on the statute books since 1906, and which controls the construction of dams in navigable waters of the United States.

Mr. RAKER. This does not say "navigable waters."

Mr. MANN. It does say "navigable waters." That is exactly what it says. That is the trouble with most of the gentlemen. They never read what it says. This is what it says:

SECTION 1. That when consent has been or may hereafter be granted by Congress, either directly or indirectly, through any duly authorized official or officials of the United States, to any person to construct and maintain a dam for water power or other purpose across or in any of the navigable waters of the United States—

And the bill does not apply to anything at all except those cases, 14 of them, where the Government has constructed other works and leases its power. It is purely a case of nightmare. The Interior Department attorney needs to take some pills.

Mr. RAKER. Mr. Chairman, I ask unanimous consent that I may proceed for three minutes.

The CHAIRMAN. The gentleman from California asks unanimous consent to proceed for three minutes. Is there objection?

Mr. ADAMSON. Mr. Chairman, reserving the right to object, I understand the gentleman is satisfied with the section as it is now.

Mr. RAKER. I am.

Mr. ADAMSON. Then why do you want to debate it?

Mr. UNDERWOOD. Wait until the next section is read.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 18. That the provisions of this act shall not apply to irrigation or power dams or other projects under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture upon the public lands of the United States, nor grants to municipal corporations for the use of water power or water power for municipal purposes, heretofore directly authorized by Congress or indirectly authorized through some department or official of the Government of the United States.

Mr. THOMSON of Illinois, Mr. TAYLOR of Colorado, and Mr. FERRIS rose.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] is recognized.

Mr. FERRIS. Mr. Chairman, I move to strike out, on page 18, line 25, beginning with the word "hereafter," the rest of that section. And before that is voted on I want to say that this section was fixed up at my own request and through the generosity of the chairman of the committee. But the department now feels that those words have a limiting effect that ought not to be in the bill, and the chairman has very kindly consented to modify it.

Mr. ADAMSON. I accepted the whole section against my judgment, because the gentleman requested it. If he wants to withdraw part of it, it is satisfactory to me.

Mr. FERRIS. The chairman is correct about it. The chairman has been doubly generous to me. I owe him a debt of gratitude as well as affection. I gladly acknowledge it. This all came up through fear of repealing some acts that no one intended to repeal.

Mr. THOMSON of Illinois. I would like to know what the amendment is.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 18, line 25, after the word "purposes," strike out the remainder of the section, which reads as follows:

"Heretofore directly authorized by Congress or indirectly authorized through some department or official of the Government of the United States."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. RAKER. Mr. Chairman, in response to what was said before——

Mr. ADAMSON. I have accepted the amendment.

Mr. RAKER. I know you have, but I want a few moments. Section 18 is directly in line with what I stated, which the committee has placed here in the bill by this new section, to obviate and relieve and put in condition the very things referred to, namely:

That the provisions of this act shall not apply to irrigation or power dams or other projects under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture upon the public lands of the United States, nor grants to municipal corporations for the use of water power or water power for municipal purposes.

That of itself shows there must have been a great many of us who had "nightmare." If nightmare brings results, brings proper legislation, prevents the repealing of good laws, and maintains upon the statute books that which ought to be and takes off that which ought to be taken off, it is a good thing to have that kind of a nightmare. The gentleman from Oklahoma [Mr. FERRIS], chairman of the Committee on the Public Lands, has given much thought to this subject, and has given much thought to the same subject in regard to the bill before the Committee on the Public Lands. I have joined in this work with the gentleman from Oklahoma [Mr. FERRIS]. And I want to say to the gentleman from Illinois [Mr. MANN] that the committee had during all of its hearings, and whenever it was necessary, good, competent assistance from the Department of the Interior. We had competent assistance from able lawyers from the Department of the Interior, who, we believe, understand the land laws and who have had wide experience in these matters. And they gave us splendid assistance and they have assisted in bringing about this splendid result.

The section under consideration as originally presented read as follows:

SEC. 17. That all provisions in this act contained fixing conditions upon which the consent of Congress is granted for the construction of dams shall apply alike to all existing enterprises in operation or authorized, as well as to new projects to which the consent of Congress may hereafter be granted. All conflicting provisions contained in any act of Congress granting consent to the construction of any dam are hereby repealed, and all such previous authorizations are so altered, amended, and modified hereby as to conform to all of the conditions and provisions incorporated in this act.

The section and a new section 18 as amended will read as follows:

SEC. 17. That all of the provisions in sections 2, 3, 4, 5, 11, and 15 of this act, fixing conditions of the consent of Congress and regulating practices and charges between the grantees and their customers for the construction, maintenance, and operation of dams in the navigable waters of the United States shall apply alike to all existing enterprises in operation or previously authorized in the navigable waters of the United States in which the approval and supervision of the Secretary of War and Chief of Engineers are required, as well as to new projects in the navigable waters of the United States for which the consent of Congress may hereafter be granted, in the construction, maintenance, and operation of which the approval and supervision of the Secretary of War and Chief of Engineers shall be required. All conflicting provisions contained in any previous act of Congress granting consent for the construction, maintenance, and operation of any dam in the navigable waters of the United States in the construction, maintenance, and operation of which the approval and supervision of the Secretary of War and the Chief of Engineers were required are hereby repealed, and all such previous authorizations are so altered, amended, and modified hereby as to conform to all the conditions and provisions in said sections 2, 3, 4, 5, 11, and 15 of this act.

SEC. 18. That the provisions of this act shall not apply to irrigation or power dams, or grants to municipal corporations affecting the use of water or water power for municipal purposes, or other projects under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture upon the public lands of the United States.

Mr. MANN. Mr. Chairman, when the water-power bill from the Public Lands Committee comes before the House, I think probably the gentleman will have a better understanding as to the incapacity of some of the draftsmen of the bill. But I would like to ask what is the purpose of saying that Congress can not grant a franchise to a municipal corporation to construct a dam across navigable waters for the generation of electric power under the terms of this act?

Mr. ADAMSON. I do not understand the question of the gentleman.

Mr. MANN. Why can we not pass a bill giving the city of Chattanooga, if there is such an opportunity, the right to construct a dam under this act?

Mr. ADAMSON. It was my pleasure to advise the gentleman in numerous conferences, but without effect, that Congress had the power to do that in any case where it chose.

Mr. MANN. You can not do that under this act.

Mr. ADAMSON. Congress can repeal it if it chooses.

Mr. MANN. Congress can repeal it, of course. Congress can repeal the whole thing.

Mr. ADAMSON. I assure the gentleman from Illinois that it has been placed in there for the purpose of——

Mr. MANN. It has not been placed in there yet. That is what I am trying to find out about. Who is it that wants to say we shall not have the power——

Mr. ADAMSON. The gentleman refers to this section?

Mr. MANN. I refer to section 18.

Mr. ADAMSON. We assented to that for no reason on earth except that it might be a specific for the nightmare. [Laughter.]

Mr. MANN. I am not talking about the nightmare.

Mr. FERRIS. We will talk about "nightmare" before we get through with this. The gentleman from Illinois has romped around here talking about that long enough.

Mr. MANN. I am sorry if I have offended the feelings of the gentleman from Oklahoma.

Mr. FERRIS. The gentleman has, and he has abused other Members, and he has abused himself by abusing the officials of the Interior Department. It is beneath the dignity of the gentleman to do it. The gentleman is one of the ablest Members of the House, and he should not have done it.

Mr. MANN. Oh, the gentleman need not sugar coat it. The gentleman so often comes to me for help, which I give him, that I am perfectly willing to take a little scolding from the gentleman because he is trying to insert an absurd provision in the bill. Why not say Congress shall not have the power to grant a franchise to a municipal corporation to construct a dam under the provisions of this act?

Mr. FERRIS. When the gentleman is through I shall speak in my own time.

Mr. BRYAN. Mr. Chairman, I want to go back and take in this word now.

Mr. FERRIS. Mr. Chairman, I naturally hesitate long even to assume a momentary quarrel with the gentleman from Illinois [Mr. MANN]. But the gentleman in two or three speeches here has, as I believe, without warrant assaulted the Interior Department and has assaulted the Members of the House, and asserted that those who had earnest and patriotic thoughts on the subject had the "nightmare," and asserted that it was "rot" and that it was "meaningless," "idiotic," and so forth, using such words as that.

Now, irrespective of what becomes of this bill or what becomes of this section or of this language, it ill becomes the gentleman from Illinois, the leader of a great party, to stand here and grow abusive to Members of the House who are not his equals in debate and who are his juniors in years and service and everything else; and the gentleman, when he gets up here and screams out "idiocy" and unworthiness and attributes unpatriotic motives to men in the executive departments, assaults men who have served longer in the departments than he has served in the House. The gentleman ought not to do it. He replies to me that he renders favors and help to me. The gentleman oftentimes does do that, and I am thankful to him for it. But that is beside the question as to whether he can come into the House and become abusive to Members and abusive to the departments, whose officials can not come here on this floor and defend themselves.

Now, on the question at issue—it was asserted that those who felt that the original section 17 repealed certain laws now on the statute book had the "nightmare" and knew nothing, and were nonentities in this House—let me read this section to the House and see who is right about this matter. I do not attribute any erroneous motives to the Committee on Interstate and Foreign Commerce and I want to say that the members of that committee have been most generous and patriotic in trying to get a good bill, and they have been most considerate of those of us who, the gentleman has said, have the "nightmare"; and they have been most kind and courteous, so much so that they have endeared themselves to me and to others for all time.

But let us see who is right and who is wrong about this matter. Let us see who has the "nightmare." Section 17, on page 17, provides——

Mr. TOWNSEND. What is the gentleman reading from now?

Mr. FERRIS. I am reading from the original bill. Section 17 provides—

SEC. 17. That all provisions in this act contained fixing conditions upon which the consent of Congress is granted for the construction of dams shall apply alike—

To what?—

to all existing enterprises in operation or authorized, as well as to new projects to which the consent of Congress may hereafter be granted—

No matter whether it is the consent of Congress as to a navigable stream or to unnavigable waters or anywhere else. I read further:

All conflicting provisions in any act of Congress granting consent to the construction of any dam—

And so forth. I call attention to the fact that 72 per cent of the water power of this country was developed by the Department of Agriculture and the Department of the Interior and lies west of the Mississippi River, and the gentleman from Illinois does not know anything about it. He is just floundering around in abuse. I read:

All conflicting provisions contained in any act of Congress granting consent to the construction of any dam are hereby repealed, and all such previous authorizations are so altered, amended, and modified hereby as to conform to all of the conditions and provisions incorporated in this act.

Now, Mr. Chairman, what are the facts? Seventy-nine million dollars have been expended in irrigation west of the Mississippi River under the act of 1902, which is an authorization and a consent on the part of Congress, and every one of them would have been repealed by this original section 17.

No one wants to do that. The gentleman at the head of the Committee on Interstate and Foreign Commerce [Mr. ADAMSON], when I first went to him, told me that he did not want to do that. The gentleman from Alabama [Mr. UNDERWOOD], the leader of the House, when I went to him, told me he did not want to do that; and they both thought then, as the gentleman from Illinois [Mr. MANN] thought, that we were mistaken.

But what are the facts? The gentleman from Illinois rails about the fact that this is a bill affecting the navigable waters. There is not a man in this House to-day who can define "navigable waters." The courts do not even know. We tried to define it, and grew weary of the task. The Secretary of War, in a conference that we had with him, asserted that in his opinion small streams flowing down the mountain side that you could step across are a part of and a link in the chain in navigable waters; and if his theory is correct, under this bill and the original section 17 they could go out and kick out every irrigation dam in the West and let cactus and sagebrush take the place of the alfalfa fields, which are now producing happy and prosperous homes.

Is that a "nightmare"? Is that foolish? Does that condemn the department that advocates it? No. We have grown accustomed to sitting here idle and cringing while the gentleman from Illinois flounders around and becomes abusive of men who are not his equals in debate.

The gentleman can stand there and abuse some Members, can stand there and abuse all Members, and get away with it, I suppose; but when he misstates the facts in connection with his abuse, I will reply to him both now and in the future, as long as we are both in the House.

Section 17 has been modified, and properly so. I call attention to the fact that the original section 17 would have repealed the Hetch Hetchy grant. That was given through the consent of Congress. That is on public land. That bill was passed almost by unanimous consent in the first session of this Congress. We do not want to do an idle thing or a silly thing. We do not want to go off on a tangent here.

Section 18 is necessary, and must remain.

Mr. MANN. Mr. Chairman, I very much regret that the gentleman from Oklahoma [Mr. FERRIS] in reading section 17 did not read it to the House in order to furnish the information that is in the section.

Mr. FERRIS. I read it in toto, without a word missing.

Mr. MANN. The gentleman did not read it in toto. Here is the way he read it:

Shall apply to all existing enterprises in operation—

And so forth—

As well as to new projects—

And so forth.

I do not get it quite the way the gentleman said it, but that is substantially the way the gentleman said it.

Mr. THOMSON of Illinois. Will my colleague yield?

Mr. MANN. What for?

Mr. THOMSON of Illinois. Is not the gentleman from Illinois misunderstanding the gentleman from Oklahoma? As I understood the gentleman from Oklahoma [Mr. FERRIS], he read the language that is stricken out in our bill, and not the language beginning on line 20.

Mr. FERRIS. That was the original section, if the gentleman will pardon me.

Mr. MANN. I understood the gentleman to read section 17.

Mr. FERRIS. The original section 17, before it was stricken out.

Mr. MANN. Oh, then that is all right. I have not compared that.

Mr. FOSTER. Mr. Chairman, I do not see that it is necessary for Members to get excited over propositions before the House at this time. So far as I am individually concerned I am extremely happy, and I think my good friend from Oklahoma [Mr. FERRIS] and my colleague from Illinois [Mr. MANN] will feel the same way when they reflect for a moment, as they have both advocated an advanced position in water-power development. I remember, in the Sixty-second Congress some of

us objected to bills that were upon the Unanimous Consent Calendar providing for the construction of dams. The gentleman from Mississippi [Mr. HUMPHREYS], on February 7, 1911, demanded a second on a motion to suspend the rules and pass the bill (No. 32219) granting to the Long Sault Development Co. the right to construct a dam in the St. Lawrence River.

This bill proposed to grant a franchise for 99 years, and without the necessary provisions to protect the interests of the public. That motion was defeated, 66 Members voting for and 84 against the motion to suspend the rules and pass the bill, and it showed the first real test in Congress in favor of greater restrictions and provisions for building of these dams which would preserve the rights of the people. It has not been the policy of those who have advocated amendments to the general dam bill to impede development, but before granting these franchises we believe the rights of the people should be more thoroughly protected. These bills were at one time placed on the Calendar for Unanimous Consent, and some of them were originally passed in that way. In the Sixty-second Congress there were a number proposed and all were objected to at that time because no amendments would be accepted which some of us believed at that time were necessary to guard the interests of consumers. We believed that certain provisions ought to be put in the bills granting these franchises which were not in the original law of 1906 as amended by the act of 1910 providing for the construction of dams in navigable rivers. I realize that when the dam bill was passed which was proposed by my colleague from Illinois [Mr. MANN] it was probably the best bill that he was able to get through Congress at that time, and he did the best he could then to protect the rights of the people. This was not due to any lack of patriotism or devotion to the rights of the people, but because the great value of water power was not so well understood as now; but since the passage of that law the development of hydroelectric power has advanced very materially in the country, until now the bill that he proposed and had passed through Congress is not a bill that he would himself advocate at this time.

We go much further, and require more restrictions and reserve more rights to the people than would be possible under the original law. So, when this Congress has adopted many of the provisions that were advocated by some of us in the last Congress, I think my good friend from Oklahoma [Mr. FERRIS] and others in this House who took part in the fight for those provisions ought to be happy now that Congress has come to believe, as we did then, that these provisions should be placed in the bill. So I am pleased to realize that some of these provisions which we have been fighting for in the last three Congresses have been adopted and are made a part of this bill. The other day I took down the papers which I had used in the last Congress, and in looking over those amendments which were then proposed but not accepted at that time I found they were in line with the amendments which have been placed in this bill. We are advancing; and when we grant a franchise for 50 years, which is a long time in this world, those who are here to-day will be gone before the expiration of those franchises, and the advancement of hydroelectric development will be so great that any man living to-day, if he could come back to the world, would be surprised at the advancement that will have been made. Who knows but in a few years, before the life of one of these franchises shall expire, all these plants that are producing hydroelectric power and transmitting it over the country may be lined up in such a way that they will be serving the people on a continuous line from San Francisco to New York. I believe that now is the time to protect the rights of the people and not wait until all the franchises are given away. I believe we have placed amendments upon this bill that will help to preserve those rights of the people for all time to come, and in the future they will be under the control of Congress.

It is an easy matter for gentlemen to cry we are advocating foolish conservation or that we are trying to prevent any development of water power. I care nothing for such argument. When we call to mind that so many of our natural resources have been given away, it is not to be wondered at that the people demand now that their representatives shall preserve these natural resources for future use. These water-power franchises are becoming more valuable each day. The developments are coming so fast that in a few years they may be a thousand times more valuable than now. It does not seem right that when that time does come all these valuable assets should be gone. I am for the development of the water power of the country, but I want to know that they are not going to be taken by those who will form a monopoly exclusively for their own benefit and combine against the rights of consumers. If we can not get development without surrendering our rights, then it is far better that we should wait than to hastily give away this valuable asset, which now belongs to all the people. Let no man be deceived about water power. There are persons in this country seeking to secure these franchises, knowing their great value now and that they must increase very materially in a few years to come. We gave away valuable timber and mineral lands, until to-day we realize the necessity of a proper conservation of the natural resources we have left. Let us not now begin this extravagant waste by giving away the water power of the country and let it fall into the hands of the few who may use it in such a way as to be a detriment to the people. [Applause.]

Mr. BRYAN. Mr. Chairman, I move to strike out all after the word "States" in line 24, section 18.

The CHAIRMAN. The gentleman from Washington offers a substitute for the amendment offered by the gentleman from Oklahoma. The Clerk will report it.

The Clerk read as follows:

Page 18, line 24, after the word "States," strike out the remainder of the section.

Mr. BRYAN. The gentleman from Oklahoma [Mr. FERRIS] suggests to me that this amendment will be too far-reaching, but I want to call attention to the fact that a part of this bill is made to apply especially to municipal corporations, and it is improper for us to bind up the country with a provision that no part of this section shall apply to a municipal corporation, when there ought to be no reason why municipalities can not apply for and obtain grants just such as the Hetch Hetchy grant. So I do not see why the same kind of a provision ought not to apply to those corporations.

Mr. FERRIS. Many little towns and cities in your country have come to Congress and secured grants for waterworks, power dams, and water rights, and you do not want to repeal those. You want to let them stand just as they are. You do not want to bring the water supply for a little town of 1,500 people under a bill that has to do with navigation and power. There is an adequate law to govern them, and to subject them to this law which is under the War Department will bring confusion. It is not desired by either of the departments or either of the parties in charge of the bill.

Mr. THOMSON of Illinois. In reply to what the gentleman has said, I should like to ask the gentleman from Oklahoma if these grants are not from either the Secretary of the Interior or the Secretary of Agriculture?

Mr. FERRIS. Many of them are from Congress itself, and you do not want to repeal those acts. I am sure no one intends to have this law apply to the public lands and the water power or water rights on the nonnavigable streams. If the House will adopt my amendment it will come out all right. It is suggested by the department.

Mr. BRYAN. Recognizing the fact that we can not pass this amendment, I will withdraw it, but I call the matter to the attention of the committee. There ought to be an amendment to protect the matter of little corporations owning franchises of the kind to which I have referred.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to withdraw his amendment. Is there objection?

Mr. MANN. I object.

The CHAIRMAN. The gentleman from Illinois objects. Does the gentleman from Colorado desire recognition?

Mr. TAYLOR of Colorado. Mr. Chairman, I want to obtain some information on this matter.

The CHAIRMAN. The Chair will recognize the gentleman from Colorado; he has been on his feet some time.

Mr. MANN. I hope the Chair next time will not put the question until he is ready for it.

The CHAIRMAN. The gentleman from Colorado has been on his feet some time.

Mr. MANN. Then why does not the Chair recognize the gentleman?

The CHAIRMAN. The Chair has recognized the gentleman from Colorado.

Mr. TAYLOR of Colorado. I want to ask the chairman of the committee, the author of the bill, whether or not the provisions of section 18 are sufficiently broad to protect the vested rights of the irrigators of the West upon the nonnavigable streams under existing acts of Congress. I want to know whether the committee considers this section broad enough to cover and protect all the appropriations of water heretofore made in the arid States under the various irrigation and water-right acts of Congress?

Mr. ADAMSON. It was never the intention of the committee to interfere with any of the irrigation or reclamation acts or improvements or the disposition of public domain under the

other two departments. Neither did we believe that any language in the bill would permit any such inference, but in a spirit of concession we desired to secure a good bill and to do what we desired we should do. We had a conference or consultation with anybody or everybody who would talk with us about it, and we have agreed to the language proposed to us by the Interior Department.

Mr. TAYLOR of Colorado. Then there is no intention on behalf of the committee of repealing or affecting vested water rights granted by Congress heretofore or acquired under existing laws? If this bill does not interfere with our western water rights, I will not offer any amendment to this section 18.

Mr. ADAMSON. We do not propose to deal with anything except the navigable rivers of the country.

Mr. MANN. Mr. Chairman, I regard this amendment as very important. The bill down to section 18, all through it, is clearly confined to the construction of dams in navigable waters, not in waters relating to navigation, not in little streams on the mountain side, where there is no navigation, but it uses the language all through the bill down to section 18, "dams in navigable waters of the United States."

Now comes section 18, and while it is caused by the nightmare I have referred to, I have no objection to that part of it which makes it clear to anyone that it is not intended to apply to the Forestry Service or the public domain under the control of the Secretary of Agriculture and the Secretary of the Interior.

Mr. RAKER. Will the gentleman yield?

Mr. MANN. Yes.

Mr. RAKER. If under the bill they obtain the right to develop hydroelectric power and the water becomes short by the dryness of the season, would not the Government or lessee be permitted to go up stream and tear out all the dams, unless these rights were protected?

Mr. MANN. They would not have the right under this bill. There is not a line in here on that subject. Now, let us see what the proposition is which gentlemen have got the committee to agree to. That the provisions of this act shall not apply to irrigation or power dams under the jurisdiction of the Secretary of Agriculture and the Secretary of the Interior, and so forth, nor grants to municipal corporations for use of water power or water power for municipal purposes.

Here is a declaration in this bill that this act shall not apply to water power for municipal purposes. Well, we have inserted in half a dozen places, more or less, in the bill a provision or provisions designed to give some preference to municipalities, and then skillfully somebody has inserted this joker in the bill that the bill shall not apply to water power for municipal purposes. We provide a law for the construction of a dam, and when the water power is developed it is to be sold for municipal purposes, while it can not be sold under this language for municipal purposes; if you do, the bill is no longer applicable to the project.

Now, I do not know what wild gentleman—I assume it was not the gentleman from Oklahoma, unless he was in his present temperament—but somebody with a nightmare drew this provision, or else it was designedly inserted as a malicious joker to prevent the use of power for municipal purposes, or to take out from under the operation of the act dams that are used for municipal power.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The question was taken; and on a division (demanded by Mr. MANN) there were 20 ayes and 37 noes.

Mr. MANN. I ask for tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. BRYAN and Mr. ADAMSON.

The committee again divided; and the tellers reported that there were 36 ayes and 36 noes.

So the amendment was lost.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Oklahoma [Mr. FERRIS].

The question was taken, and the amendment was agreed to.

Mr. STEVENS of New Hampshire. Mr. Chairman, I offer the following amendment. I think the amendment which we have just adopted leaves this section in an unfortunate situation. I think the words "nor grant to municipal corporations for use of water power or water power for municipal purposes" should be transposed to line 21, after the word "dam." Otherwise we have excepted from the provisions of this act any grant to a municipal corporation for the use of water power or water power for municipal purposes, although the bill itself in other sections regulates and governs it.

Mr. MANN. The gentleman's side of the House just voted that way.

Mr. STEVENS of New Hampshire. Mr. Chairman, I think with that transposition it will be all right. I move to amend by transposing the words.

Mr. ADAMSON. The provision written by the Secretary of the Interior and accepted by us in conformity to the scheme of the bill is that it should not interfere with irrigation-power dams or other projects under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture nor to the municipal corporations for use of water power or water power for municipal purposes. This bill does not contemplate any such grant. This bill contemplates and relates solely to obstructions in navigable streams for navigation purposes. I think the amendment is not required. Congress can deal with it just as it chooses.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. ADAMSON. Yes.

Mr. MANN. Suppose this stays in the law, then will it not be impossible by merely granting an act and passing a law to enable some company to bring it under the provisions of this act?

Mr. ADAMSON. It never could be done in accordance with the provisions of this act for water-power purposes. It could be done for the improvement of navigation in navigable streams. Congress could pass a special law for any purpose, but this merely provides that the provisions of this bill shall not apply.

Mr. MANN. When we grant permission to build a dam across a stream, it is for water-power purposes.

Mr. ADAMSON. Our purpose is for navigation. If the company thinks it can make it pay for water-power purposes, we are glad to have it do it in that way.

Mr. MANN. Let us assume a case that exists in many instances throughout the United States, where there is no navigation and can not be at some stretch of a river which is called a navigable river, both above and below. Does the gentleman mean to say that we have not the power in a case of that kind?

Mr. ADAMSON. I do not think this bill ought to apply to any such case as that.

Mr. MANN. But it does apply to it.

Mr. ADAMSON. That is not our intention.

Mr. MANN. And if it does apply to it, should we not make it apply to a grant to a municipal corporation?

Mr. ADAMSON. I think not.

Mr. MANN. Why, we have tried all through the bill to give preference to municipal corporations until we come to the end, and then we say that it shall not apply to them.

Mr. ADAMSON. I think that the case suggested by the gentleman would be a mere subterfuge. I think in good faith this bill ought to be invoked only for the promotion of navigation.

Mr. MANN. What is the object of inserting this provision in the bill?

Mr. ADAMSON. I have told the gentleman that I did not put any of that section in the bill.

Mr. MANN. It is perfectly evident what it was put in for. This provision in connection with what is stricken out was originally put in the bill to be sure that it did not affect Hetch Hetchy.

Mr. ADAMSON. It was a disclaimer on our part.

Mr. MANN. We have already stricken that part of it out, and what is the use of leaving the other in, and leaving it a matter of absolute declaration that where we endeavor to give preference to municipal power we insert in the bill the provision that it shall not apply to municipal power?

Mr. STEVENS of New Hampshire. Mr. Chairman, I think this inconsistency can be easily removed by merely transposing the words "nor grants to municipal corporations for the use of water power or water power for municipal purposes" to the twenty-first line, on page 18, to be inserted after the word "dams," and I offer that as an amendment.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. STEVENS of New Hampshire. Yes.

Mr. MANN. That would make it so that this power would apply to permits to be granted by the Secretary of Agriculture and the Secretary of the Interior unless they were for municipal purposes, and no one wants to do that. The only way to do is to strike it out of the bill.

Mr. STEVENS of New Hampshire. I understand this bill has nothing to do with the Secretary of the Interior or the Secretary of Agriculture.

Mr. MANN. But if we put an exception in the bill that it shall only apply to certain things, the inference would be that it applied to others.

Mr. ADAMSON. Mr. Chairman, if the gentleman will allow me to read it as it will be amended by the proposed amendment of the gentleman from New Hampshire, I think the gentleman

from Illinois will see that he is in error. As amended it would read:

That the provisions of this act shall not apply to irrigation or power dams nor grants to municipal corporations for the use of water power or water power for municipal purposes, or other projects under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture upon the public lands of the United States—

And so forth. That makes it perfectly clear.

Mr. MANN. I do not see what good that does. You first provide that it shall not apply to irrigation or power dams or other projects under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture.

Mr. ADAMSON. It puts the grants to municipal corporations on the same basis as grants on the public domain, where this bill will not touch them at all. That is the proposition of the gentleman.

Mr. MANN. Changing the form in that respect will not make any difference.

Mr. ADAMSON. I think it means that now, but it will be clearer as the gentleman proposes to amend it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire, which the Clerk will report.

The Clerk read as follows:

Page 18, line 21, after the word "dams," insert the words "nor grants to municipal corporations for the use of water power or water power for municipal purposes," and in lines 24 and 25, page 18, strike out the words "nor grants to municipal corporations for the use of water power or water power for municipal purposes."

Mr. THOMSON of Illinois. Mr. Chairman, I would like to ask the chairman of the committee if the second word "power" in line 25 is not there inadvertently?

Mr. ADAMSON. What is the gentleman's amendment?

Mr. THOMSON of Illinois. I have not offered any amendment, but I would offer an amendment to strike out the word "power" in line 25.

Mr. ADAMSON. I do not. I did not write this section. I simply agreed to accept it, but the gentleman from Oklahoma [Mr. FERRIS] says the gentleman is right about that.

Mr. THOMSON of Illinois. Then I ask unanimous consent to modify the amendment offered by the gentleman from New Hampshire in that respect.

The CHAIRMAN. Without objection, the amendment will be modified as indicated by the gentleman from Illinois. Is there objection? [After a pause.] The Chair hears no objection.

Mr. THOMSON of Illinois. Mr. Chairman, I have another modification. Ought the word in line 24, page 18, as read by the Clerk, to be "or" or "nor"?

Mr. ADAMSON. It ought to be "or."

Mr. THOMSON of Illinois. It ought to be changed to "or." I would also suggest, if I might, the word "for" in reference to grants to municipal corporations for the use of water power, might be better changed to the word "affecting." Some of these grants issued have not been directly issued for water or water power, but they have been incident to such grants, and I would move to amend the amendment by striking out the word "for" and inserting the word "affecting."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 18, line 24, after the word "corporations," strike out the word "for" and insert the word "affecting."

Mr. RAKER. Mr. Chairman——

The CHAIRMAN. Does the gentleman from California object to agreeing to the modification of this amendment?

Mr. MANN. I shall object to agreeing to any amendment. Let us have a vote on these amendments.

The CHAIRMAN. The Chair meant modification.

Mr. MANN. This is not a modification. We just agreed to one on the theory it was a modification where it was an original amendment to the text.

Mr. RAKER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAKER. Is this subject to amendment?

The CHAIRMAN. This is a motion to strike out one word.

Mr. RAKER. I thought we had already disposed of that.

The HAIRMAN. The Chair asked, "Is there objection?" and the gentleman from California addressed the Chair, and the Chair supposed he wanted to object. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire.

Mr. STEVENS of New Hampshire. Mr. Chairman, the amendment just voted upon was practically the amendment I offered.

Mr. THOMSON of Illinois. No; the gentleman's amendment was an amendment to transpose the language. My amendment changed the language.

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. Was the amendment offered by the gentleman from New Hampshire ever reported?

The CHAIRMAN. It was reported. The Clerk advises the Chair that he reported the amendment. The Chair remembers asking him to report it.

Mr. MANN. He did not report it, and the other two amendments agreed to had nothing to do with that amendment.

The CHAIRMAN. The Chair remembers distinctly that the Clerk did read the amendment offered by the gentleman from New Hampshire.

Mr. RAKER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAKER. Is it permissible to have this amendment again reported?

The CHAIRMAN. Without objection, the amendment offered by the gentleman from New Hampshire will be again reported.

Mr. STEVENS of New Hampshire. Mr. Chairman, before it is reported, I ask unanimous consent that the section as amended by the gentleman from Illinois be read, so we may know what change his amendment makes.

The CHAIRMAN. Without objection, the request of the gentleman from New Hampshire will be granted. The Chair hears no objection, and the Clerk will read the section as amended.

The Clerk read as follows:

SEC. 18. That the provisions of this act shall not apply to irrigation or power dams or other projects under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture upon the public lands of the United States or grants to municipal corporations affecting the use of water or water power for municipal purposes.

The CHAIRMAN. Now the Clerk will report the amendment offered by the gentleman from New Hampshire as amended.

The Clerk read as follows:

Page 18, line 21, after the word "dams," transpose the language in lines 24 and 25, which reads as follows: "or grants to municipal corporations affecting the use of water or water power for municipal purposes," so that the section as it is proposed to be amended will read as follows:

"SEC. 18. That the provisions of this act shall not apply to irrigation or power dams or grants to municipal corporations affecting the use of water or water power for municipal purposes or other projects under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture upon the public lands of the United States."

The CHAIRMAN. The question is upon the amendment offered by the gentleman from New Hampshire.

Mr. RAKER. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Georgia desire to be recognized?

Mr. ADAMSON. I am trying to persuade the gentleman from California that is all right according to the amendment.

Mr. RAKER. Just one moment. I want to ask the gentleman a question. As I understand now, this would not affect a grant by Congress to a municipality for water power.

Mr. ADAMSON. It will not now, and never would, if this had not been put in there.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New Hampshire.

The question was taken, and the amendment was agreed to.

Mr. ADAMSON. Does the gentleman from Minnesota [Mr. SMITH] have another amendment?

Mr. SMITH of Minnesota. Mr. Chairman, I wish to ask unanimous consent to return to section 15 for a moment.

Mr. ADAMSON. For what purpose?

Mr. SMITH of Minnesota. To offer two slight amendments.

Mr. ADAMSON. What are they?

Mr. SMITH of Minnesota. To add to line 19, after the word "approval," the word "regulation." It reads now "*Provided, however*——"

Mr. UNDERWOOD. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The gentleman from Alabama demands the regular order. The gentleman from Minnesota asks unanimous consent to return to section 15 for the purpose of offering two amendments. Is there objection?

Mr. UNDERWOOD. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Alabama objects.

Mr. COOPER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER. Are the words in lines 24 and 25, page 18, eliminated now from the bill?

Mr. ADAMSON. They have been transposed in order to put them in the public domain without doubt.

Mr. COOPER. They are in the bill in another place and are eliminated at that place.

Mr. THOMSON of Illinois. Mr. Chairman, I ask unanimous consent to return to page 6 for the purpose of making the correction to which I called the attention of the chairman of the committee a while ago.

Mr. ADAMSON. Mr. Chairman, the gentleman did call my attention to the fact that we agreed on the words "has been"——

Mr. THOMSON of Illinois. I would like to call attention to the fact that in the last line on page 6 the words "has been" have been substituted for the word "would," but the word "be" was not taken out.

Mr. ADAMSON. That is exactly what I was about to say. We agreed on the words "has been" instead of the word "would." "Has been be" is not good grammar. I want to strike out the word "be." It has no business there.

The CHAIRMAN. The Clerk will report the amendment.

Mr. ADAMSON. It is a clerical error. It is not an error of the House. It is in line 25, at the bottom of page 6.

The CHAIRMAN. The Clerk will report the amendment.

Mr. SMITH of Minnesota. I object.

Mr. ADAMSON. Mr. Chairman, I move the committee do now rise and report the bill to the House, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 16053) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910, and had directed him to report it back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. ADAMSON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The SPEAKER. The gentleman from Georgia moves the previous question on the bill and amendments thereto to final passage.

Mr. MANN. Mr. Speaker, there is only one amendment.

Mr. ADAMSON. Well, whatever they are I want to agree to them.

Mr. MANN. Let us have it straight, so that we may know.

The SPEAKER. The gentleman from Georgia moves the previous question on the bill and the amendments——

Mr. MANN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MANN. While it is true that the committee rose, I suppose the Speaker has to take the action of the chairman of the committee who reported this bill back——

The SPEAKER. It is true there is a substitute.

Mr. MANN. With some kind of an amendment. It is also true that this bill was never read through in the Committee of the Whole, and the parliamentary inquiry is whether the Committee of the Whole House on the state of the Union is authorized, when it has read only one section of the bill, to report the bill back without reading the balance of it?

Mr. ADAMSON. The House, by unanimous consent, addressed all motions and discussions to the substitute, and the substitute was read in detail and perfected. Now, of course, the first question will be whether the substitute shall be adopted in lieu of the original.

Mr. MANN. I am not particular about it. Of course there is no doubt that the committee did not have authority. It is also true that by unanimous consent——

Mr. ADAMSON. They did it.

Mr. MANN. No; the gentleman offered a substitute at the end of the reading of the first section, and the only unanimous-consent agreement about it was, so far as reading it for amendment was concerned, that it should be read as an original bill. But there was only one amendment.

Mr. ADAMSON. That is all. I move the previous question on the bill and amendment to final passage.

The SPEAKER. The gentleman from Georgia moves the previous question on the bill and amendment to final passage.

Mr. ADAMSON. We have first got to adopt the substitute and then pass the bill.

The SPEAKER. It is really the substitute that is being acted on.

Mr. ADAMSON. Of course.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had disagreed to the amendment of the House of Representatives to the bill (S. 5073) to amend an act entitled "An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States or their successors in interest," approved March 2, 1911, asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. PITTMAN, Mr. HUGHES, and Mr. CLARK of Wyoming as the conferees on the part of the Senate.

RELIEF FOR UNITED STATES CITIZENS IN EUROPE (H. DOC. NO. 1137).

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Appropriations, and ordered printed:

To the Senate and House of Representatives:

After further consideration of the existing condition in Europe in so far as it is affecting citizens of the United States who are there without means, financial or otherwise, to return to their homes in this country, it seems incumbent upon the Government to take steps at once to provide adequate means by the chartering of vessels or otherwise of bringing Americans out of the disturbed region and conveying them to their homes in the United States. Moreover, in view of the difficulty of obtaining money upon letters of credit, with which most Americans abroad are supplied, it will be necessary to send agents abroad with funds which can be advanced on such evidences of credit, or used for the assistance of destitute citizens of the United States.

In these circumstances I recommend the immediate passage by the Congress of an act appropriating $2,500,000, or so much thereof as may be necessary, to be placed at the disposal of the President, for the relief, protection, and transportation of American citizens and for personal services, rent, and other expenses which may be incurred in the District of Columbia, or elsewhere, connected with, or growing out of, the existing disturbance in Europe.

WOODROW WILSON.

THE WHITE HOUSE, *August 4, 1914.*

THE GENERAL DAM ACT.

Mr. THOMSON of Illinois. Mr. Speaker, I would ask unanimous consent to strike out the word "be" in line 25, page 6 of the bill.

Mr. ADAMSON. That was done in the Committee of the Whole.

Mr. THOMSON of Illinois. No; there was an objection made to it.

Mr. ADAMSON. That was a clerical error.

The SPEAKER. The gentleman from Illinois [Mr. THOMSON] asks unanimous consent to strike out the word "be"——

Mr. THOMSON of Illinois. Instead of "would be" we tried to substitute "has been" and they put "has been be" all there, I think. I want to strike out the word "be" and leave it "has been."

The SPEAKER. It seems to have been done, but the Clerk will read.

Mr. ADAMSON. I know it was done, but the gentleman from Illinois told me the Clerk did not have it that way.

The SPEAKER. The Clerk will report the amended portion.

The Clerk read as follows:

Page 6, line 25, reads as follows: "Engineers shall determine that navigation has been injured."

Mr. MANN. It is all right.

Mr. TREADWAY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TREADWAY. Can a separate vote be asked for on any amendment now?

The SPEAKER. There is only one amendment.

Mr. TREADWAY. May I ask whether we lost the right to a separate vote on an amendment by the substitution of this bill for the original bill?

The bill, as I understand it, Mr. Speaker, is reported by the committee as a substitute bill, by unanimous consent, in lieu of the original bill. Now, do we lose the right under that procedure of asking for a separate vote on any amendment that has been adopted?

Mr. MANN. Well, Mr. Speaker, if the Speaker will pardon me, it was not done by unanimous consent. The gentleman from Georgia [Mr. ADAMSON], in Committee of the Whole, when the first section of the bill was read, offered a substitute for the entire bill and gave notice that when the rest of the sections were read he would move to strike them out. Now

the committee has reported back one substitute. There is only one amendment in the House.

The SPEAKER. That is what the Chair was going to hold. As far as the House is concerned, it comes back in the shape of one amendment.

Mr. TREADWAY. Then, Mr. Speaker, may I ask whether a Member loses the right to ask for a separate vote by the fact that it does come back in the form of one amendment, in that it has been substituted for the original report of the committee? If the committee bill was under consideration, then, as I understand it, a Member would have the right, would he not, to ask for a separate vote?

The SPEAKER. It was offered all as one amendment to the first paragraph of this bill.

Mr. TREADWAY. Then we lose the right that I am asking about?

The SPEAKER. Undoubtedly.

Mr. DONOHOE rose.

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. DONOHOE. To make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN rose.

Mr. DONOHOE. Have we the right to offer a substitute to this substitute?

The SPEAKER. You can offer a substitute in the nature of a motion to recommit. After the third reading is the time for offering that. Did the gentleman from Illinois [Mr. MANN] have any suggestion to make? He had the floor.

Mr. ADAMSON. He got what he wanted, as usual. [Laughter.]

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, and was read the third time.

Mr. BRYAN. Mr. Speaker, I have a motion to recommit.

Mr. SMITH of Minnesota. Mr. Speaker, I have a motion to recommit.

The SPEAKER. Are there any gentlemen on the Committee on Interstate and Foreign Commerce who want to make the motion to recommit.

Mr. ADAMSON. Not that I am aware of.

The SPEAKER. If there is any gentleman on that committee who wants to make the motion to recommit, the Chair will recognize him.

Mr. BRYAN. Mr. Speaker, I am not on the committee, but I desire to offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BRYAN. I would like to see it changed. [Laughter.]

Mr. DONOHOE rose.

The SPEAKER. What has the gentleman from Pennsylvania to say?

Mr. DONOHOE. I have a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DONOHOE. Yes.

The SPEAKER. The gentleman will send up his motion.

Mr. MANN. Mr. Speaker, the gentleman from Minnesota [Mr. SMITH] has a motion to recommit the bill.

The SPEAKER. Is the gentleman from Minnesota opposed to the bill?

Mr. MANN. He is. He has been fighting it all the way through.

The SPEAKER. The Chair has not recognized anybody, and the gentleman from Pennsylvania [Mr. DONOHOE] rose apparently to make a parliamentary inquiry to find out when to offer his motion.

Mr. MANN. I did not understand whether the Speaker heard the gentleman from Minnesota.

The SPEAKER. The Chair heard all three of them.

Mr. ADAMSON. Mr. Speaker, I am perfectly willing, in order to accommodate the matter, to let all three combine.

Mr. MANN. When a gentleman on this side of the House is opposed to the bill, I think he is entitled to recognition.

The SPEAKER. The Chair thinks the gentleman from Minnesota [Mr. SMITH] ought to be recognized to offer a motion to recommit. The Clerk will report the gentleman's motion.

The Clerk read as follows:

Mr. SMITH of Minnesota moves to recommit the bill H. R. 16053 to the Committee on Interstate and Foreign Commerce with instructions to the committee to report the bill forthwith to the House with the following amendments:

Strike out all after the enacting clause and substitute in lieu thereof the following:

"That the act entitled 'An act to regulate the construction of dams across navigable waters,' approved June 23, 1910, be, and the same is hereby, amended to read as follows:

"'SECTION 1. That the Secretary of War, the Secretary of the Interior, and the Secretary of Commerce shall constitute the water-power commission of the United States and hereby are authorized and required to execute and enforce the provisions of this act. The commission is hereby authorized and empowered to supervise and regulate the development, generation, transmission, sale, and use of hydro-electric power developed under any grant or lease hitherto given by Congress, or any grant, lease, or permit issued under the provisions of this act, for the construction and use of dams across the navigable waters of the United States.

"'SEC. 2. That the consent of Congress is hereby given to any State, municipal subdivision thereof, or to any industrial or public-service corporation, association, or agency organized under and subject to the laws of such State, after obtaining the permit of the commission as hereinafter provided, to construct, maintain, and operate a dam or dams and accessory works for water power or other purposes across or in any of the navigable waters of the United States; and such grantee and such permit shall at all times be subject to the provisions of this act, and also subject to such conditions as the commission under the provisions hereof shall make a part of such permit.

"'SEC. 3. As between contesting applicants for a permit hereunder, the commission shall have due regard to the use and purpose for which such permit is required, priority of purpose and of benefits conferred by such permit and project to rank in the following order:

"'First. Benefits to navigation and conservation of water resources.

"'Second. Public uses of the State, the municipal subdivisions thereof, and public institutions.

"Third. Industrial use for agricultural, mining, and manufacturing industries.

"'Fourth. Commercial power for sale, barter, and exchange, and for use by public-service corporations.

"'SEC. 4. That the navigable waters of the United States subject to the provisions of this act are declared to be, and are, the streams, lakes, harbors, and connecting waterways which Congress heretofore has declared or may hereafter declare to be navigable waters or possess navigable capacity.

"'SEC 5. That the commission is hereby authorized and empowered under such terms, conditions, and general regulations as it may prescribe, consistent with the provisions of this act, to grant a permit to any State, municipal subdivision thereof, or persons organized under the laws thereof, as provided in section 2 hereof, for a period of not longer than 50 years, to construct, maintain, and operate dams, water conduits, reservoirs, power houses, transmission lines, and other works necessary and convenient to the development, generation, transmission, and utilization of hydroelectric power, which leases shall be irrevocable except as herein provided, but which may be declared null and void upon breach of any of their terms.

"'SEC. 6. That when such permit granted by the commission to such grantee to construct and maintain a dam for water power or other purpose across or in any of the navigable waters of the United States, such dam shall not be built or commenced until the plans and specifications for such dam and all accessory works, together with such drawings of the proposed construction and such map of the proposed location as may be required for a full understanding of the subject, have been submitted to the Secretary of War and the Chief of Engineers for their approval, nor until they shall have approved such plans and specifications and the location of such dam and accessory works; and after such approval it shall not be lawful to deviate from such plans or specifications either before or after completion of the structure unless the modification of such plans or specifications has previously been submitted to and received the approval of the Chief of Engineers and of the Secretary of War.

"'SEC. 7. That as a part of such permit such conditions and stipulations may be imposed as the commission may deem necessary to protect the present and future interests of the United States, which may include the condition that the persons constructing or maintaining such dam shall construct, maintain, and operate in connection therewith, without expense to the United States, a lock or locks, booms, sluices, or any other structure or structures which the Chief of Engineers or the commission then may deem necessary in the interests of navigation, in accordance with plans made a part of such approval; and also that in case such facilities of navigation shall not be made a part of such original approval and construction, whenever the commission shall deem such facilities necessary, the persons owning such dam shall convey to the United States, free of cost, title to such land as may be required for such constructions and approaches, and shall grant to the United States free water power or power generated from water power for building and operating such constructions, and in such original approval, at the discretion of the commission, may be required to maintain and operate such lock without expense to the United States.

"'SEC. 8. That as a part of said permit the commission shall require that the plans, specifications, and location for any dam shall be such as shall be best adapted to a comprehensive plan for the improvement of the waterway in question for the uses of navigation and for the full development of its water power and for other beneficial public purposes, and best adapted to conserve and utilize, in the interests of navigation and water-power development, the water resources of the region.

"'SEC. 9. That as a part of the conditions and stipulations such permit shall provide—

"'(a) For reimbursement to the United States of all expenses incurred by the United States with reference to the project, including the cost of any investigation necessary for the approval of the plans as heretofore provided, and for such supervision of construction as may be necessary in the interest of the United States.

"'(b) For the payment to the United States of reasonable charges for the benefits which may accrue to such project through the construction, operation, and maintenance by the United States of headwater improvements, including storage reservoirs, on any such stream, such charges to be fixed from time to time by the commission and to be based upon a reasonable compensation equitably apportioned among the grantee and others similarly situated upon the same stream receiving benefits by reason of increase of flow past their water-power structures artificially caused by such headwater improvements, the total charges to all such beneficiaries from any such headwater improvement not to exceed in any one year an amount equal to 5 per cent of the total investment cost, in addition to the necessary annual expense of the operation of such headwater improvement.

"'(c) That in the construction, maintenance, and operation of such dam and accessory works there may be occupied and used such lands of the United States as may be necessary therefor, and in consideration thereof the owner of such dam shall pay to the United States such

charges, not to exceed an annual payment of 5 per cent of the fair value of such lands, as may be fixed by the commission, and in fixing such charges consideration shall be taken of the benefits accruing thereby to the interests of navigation as well as to the business of such grantee.

"'(d) For the payment or securing the payment to the United States of such sums and in such manner as the commission may deem reasonable and just substantially to restore conditions upon such stream as to navigability as existing at the time of such approval, whenever the commission shall determine that navigation would be injured by reason of the construction, maintenance, and operation of such dam and its accessory works.

"'SEC. 10. That the operation of navigation facilities which shall be constructed as a part of or in connection with any such dam, whether at the expense of such grantee or of the United States, shall at all times be subject to such reasonable rules and regulations in the interest of navigation, including the control of the level of the pool caused by any such dam, as shall be made by the Secretary of War and Chief of Engineers, and in the use and operation of such navigation facilities the interests of navigation shall be paramount to the uses of such dam by such grantee for power purposes. Such rules and regulations may include the maintenance and operation by such grantee, at its own expense, of such lights and other signals as may be directed by the Secretary of War and Chief of Engineers and such fishways as shall be prescribed by the Secretary of Commerce, and for failure to comply with any such rule or regulation such grantee shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine of not less than $500 for each month's default, in addition to other penalties herein prescribed or provided by law.

"'SEC. 11. That the persons constructing, maintaining, or operating any dam or appurtenant or accessory works, in accordance with the provisions of this act, shall be liable for any damage that may be inflicted thereby upon private property, either by overflow or otherwise.

"'SEC. 12. That any grantee who shall fail or refuse to comply with the lawful order of the commission, made in accordance with the provisions of this act, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding $1,000, and every month such grantee shall remain in default shall be deemed a new offense and subject such grantee to additional penalties therefor; and in addition to said penalties the Attorney General may, on request of the commission, institute proper proceedings in the district court of the United States in the district in which such structure or any of its accessory works may, in whole or in part, exist, for the purpose of having such violation stopped by injunction, mandamus, or other process; and any such district court shall have jurisdiction over all such proceedings and shall have the power to make and enforce all writs, orders, and decrees necessary to compel the compliance with the requirements of this act and the lawful orders of the commission and the performance of any condition or stipulation imposed under the provisions of this act; and if the unlawful maintenance and operation are shown to be such as shall require a revocation of all rights and privileges held under authority of this act, the court may decree such revocation. In case of such a decree, the court may wind up the business of such grantee conducted under the rights in question, and may decree the sale of the dam and all appurtenant property constructed or acquired under authority of this act, and may declare such dam and accessory works to be an unreasonable obstruction to navigation and cause their removal at the expense of the grantee owning or controlling the same, except when the United States has been previously reimbursed for such removal, or may provide for the sale of the dam and all accessory and appurtenant works constructed under authority of this act for the further development of water power, and may make and enforce such other and further orders and decrees as equity demands; and in case of such a sale for the further development of water power the vendee shall take the rights and privileges and shall perform the duties which belonged to the previous grantee, and shall assume such outstanding obligations and liabilities arising out of the maintenance and operation of said dam and accessory works for power purposes as the court may deem equitable in the premises.

"'SEC. 13. That no property or project installed and operated under the provisions or benefits of this act shall be assigned or transferred except upon the written consent and under conditions specified by the commission, except by trust deed or mortgage issued for the purpose of financing the business of such owner, and any successor or assign of such property or project, whether by voluntary transfer, judicial sale, or foreclosure sale or otherwise, shall be subject to all the conditions of the approval under which such rights are held, and also subject to all the provisions and conditions of this act to the same extent as though such successor or assign were the original owner hereunder.

"'SEC. 14. That the rights herein granted shall continue for a period of not longer than 50 years from and after the date of the completion of the structure described in the original approval, and after the expiration of said period such rights shall continue until compensation has been made to said grantee for the fair value of its property, as hereinafter provided.

"'SEC. 15. That at any time after the expiration of said period the commission may terminate the rights hereby granted upon giving to the owners thereof one year's notice in writing of such termination, and upon the taking over by the United States, or by any person authorized by the commission, of all of the property dependent in whole or in part for its usefulness upon the rights hereby granted, which shall include all necessary and appurtenant property created or acquired and valuable or serviceable in the distribution of water, or in the generation, transmission, and distribution of power, and all other property the value and usefulness of which would be destroyed or seriously impaired by such termination, and upon paying the fair value of said property together with the cost to the grantee of the lock or locks or other aids to navigation and all other capital expenditures required by the United States and assuming all contracts entered into prior to the receipt by it of said notice of termination which have the approval of the duly constituted public authority having jurisdiction thereof, or which were entered into in good faith and at a reasonable rate, in view of all the circumstances existing at the time such contracts were made. The fair value of said property and the reasonableness and good faith of such contracts shall be determined by agreement between the commission and the owners of such property, and in the event of their failure to agree, then by proceedings instituted by the United States, or by any person authorized by Congress, in the district court of the United States within which any portion of such dam may be located. In the determination of the value of said property upon the termination of said grant as above provided no value shall be claimed by or allowed for the consent hereby granted, nor for good will, profit in pending contracts, nor other conditions of current or prospective business, and it is further provided that lands, rights of way, and interests therein shall be valued on the basis of actual cost.

"'SEC. 16. That all charges, rates, and service by any grantee or lessee hereunder, or connecting company engaged in the transmission and sale of power and electric current generated by any project subject to the provisions of this act, shall be reasonable, adequate, without discrimination, and subject to the regulations of the commission. To enforce such just and reasonable and no discriminatory charges and secure adequate and efficient service to consumers, the commission is hereby authorized and empowered to prescribe and examine reports and systems of account, books, and other records, establish standards and make tests of service, control the issuance of stocks and bonds by corporations engaged in the generation, transmission, or sale of such hydroelectric product, and require them to submit statements of all costs of property, production, distribution, sale, and use of product, subject to such grant or lease and connected with such project, furnishing such information upon oath or by witness or in such form and upon such blanks as the commission may order and require; and on complaint of any State, municipality, or consumers affected thereby, and full hearing thereon, the commission is empowered to determine and prescribe the maximum rates to be charged, based on fair and reasonable returns on the valuation of the property and cost of operation, and ascertain and order the requirements of service to be rendered; and in case of any violation of such orders of the commission, or the refusal of such grantee or lessee to give the commission and its agents full access to its property and records, the provisions of this act relative to forfeiture and failure to comply shall apply. It is herewith provided, however:

"'(a) That when a State in which such water power and electric current is used shall notify the commission of the passage of laws and the perfecting of administration to effectively provide for such regulation of rates, charges, and service within such State and its municipal subdivisions, the regulations of the commission shall not apply to local and intrastate business therein.

"'(b) That when the power generated by such project enters both interstate and intrastate commerce, the commission is hereby authorized to join with any State in which such power is used in effecting such joint and interlocking system of Federal and State regulation as in its judgment shall most effectively promote the general public interest and carry out the purposes of this act.

"'(c) That in such valuation for rate-making purposes of the property operated under such grant there may be considered by the commission any lock or other aid to navigation, including all capital expenditures required of the grantee by the United States, but no value shall be allowed for the good will or franchise value of the lease or permit hereby or heretofore granted.

"'SEC. 17. That the grantee shall commence the construction of the dam and accessory works within one year from the date of the approval herein provided, and shall thereafter, in good faith and with due diligence, prosecute such construction, and shall, within the further term of three years, complete and put in commercial operation such part of the ultimate development as the commission shall deem necessary to supply the reasonable needs of the then available market, and shall, from time to time thereafter, construct such portion of the balance of such ultimate development as said commission may direct and within the time specified by said commission so as to supply adequately the reasonable market demands until such ultimate development shall be completed; and extensions of the periods herein specified, not to exceed two years, may be granted by the commission, on recommendation of the Chief of Engineers, when, in his judgment, the public interest will be promoted thereby. In case the grantee shall not commence actual construction within the time herein prescribed, or as extended by the commission, then the authority as to such grantee shall terminate, and in case any dam and accessory works be not completed within the time herein specified or extended as herein provided, then the Attorney General, upon the request of the commission, shall institute proper proceedings in the proper district court of the United States for the revocation of said authority, the sale of the works constructed, and such other equitable relief as the case may demand, as provided for in section 13 of this act.

"'SEC. 18. That the commission may lease to any applicant embraced in section 2 hereof, who has complied with the laws of the State in which the dam is constructed or to be constructed by the United States, the right to develop power from the surplus water over and above that required for navigation at any navigation dam now or hereafter constructed, either with or without contribution by the applicant, and owned by the United States, and on such terms as may be deemed by the commission for the best interests of the United States, and in awarding such lease preference shall be given to the applicant whose plans are deemed by the commission best adapted to conserve the public interest as provided in section 3 hereof, and all such leases and the parties thereto and the terms and conditions thereof shall be subject to the control and regulations of the commission under the general provisions of this act.

"'SEC. 19. That no works constructed, maintained, and operated under the provisions of this act shall be owned, trusteed, or controlled by any device or in any manner so that they may form a part of, or in any manner effect, a combination in the form of an unlawful trust or form the subject of an unlawful contract or conspiracy to limit the output of electric energy or in restraint of the generation, sale, or distribution of electric energy, or the exercises of any other business contemplated: *Provided, however*, That it shall be lawful under the approval and regulations of the commission for different grantees to exchange and interchange currents to enable any grantee to secure assistance to carry on the business and supply his customers, accounting therefor and paying therefor under regulations to be prescribed by the commission.

"'In no case shall such an arrangement be permitted to raise the price, render unjust or unfair any practice, work, or discrimination, or operate in restraint of trade.

"'SEC. 20. That the word "persons" as used in this act shall be construed to import both the singular and the plural, as the case demands, and shall include corporations, companies, and associations, or other grantees. The word "dam" as used in this act shall be construed to import both the singular and plural, as the case demands.

"'SEC. 21 That all the provisions of this act for regulating the construction and use of dams and the transmission, sale, and use of power developed thereby shall apply alike to all existing enterprises in operation or authorized, as well as to new projects to which the consent of the commission may hereafter be granted. It is likewise provided that holders of previous authorizations are entitled to receive on application to the commission new permits subject to the provisions of this act and subject further to such terms and conditions as the com-

mission shall deem just and reasonable in the premises and for the best protection of the public interests.

"'SEC. 22. For carrying out the provisions of this act the commission shall have authority to appoint a secretary and employ such experts, assistants, and other employees as it may find necessary to the proper performance of its duties, and provide for the compensation and expenses of the same and the necessary office supplies from such sum as shall be provided by law.'"

Mr. ADAMSON. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. FOWLER. Mr. Speaker, will the gentleman withhold his motion for a moment? I have but one small amendment to offer to the motion to recommit.

Mr. ADAMSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ADAMSON. Can I withhold my motion for the previous question for the purpose of allowing the gentleman from Illinois [Mr. FOWLER] to offer his amendment without losing my right to press my motion?

The SPEAKER. Yes; the gentleman can withhold it for that purpose.

Mr. DONOHOE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DONOHOE. What has become of that substitute of mine? May I ask unanimous consent to have it printed in lieu of its being read?

The SPEAKER. The gentleman from Pennsylvania [Mr. DONOHOE] asks unanimous consent to have printed in the RECORD, instead of having read, the motion to recommit which he tried to offer. Is there objection?

Mr. MANN. Mr. Speaker, I submit that the motion for the previous question has not been made.

Mr. ADAMSON. I made the motion, and asked the Chair if I could withhold it for one purpose only.

Mr. MANN. The gentleman can not withhold it.

Mr. ADAMSON. Then I insist upon my motion, Mr. Speaker.

Mr. MANN. Why not let the gentleman offer his motion to recommit?

Mr. ADAMSON. I am willing.

The SPEAKER. The gentleman from Pennsylvania [Mr. DONOHOE] offers his motion to recommit as a substitute for that of the gentleman from Minnesota [Mr. SMITH].

Mr. MANN. The gentleman from Illinois [Mr. FOWLER] offers another substitute for the motion to recommit.

The SPEAKER. The gentleman from Illinois [Mr. FOWLER] offers an amendment to the motion to recommit which was offered by the gentleman from Minnesota [Mr. SMITH], and the gentleman from Pennsylvania [Mr. DONOHOE] offers a substitute for the motion to recommit. The Clerk will report the Fowler amendment.

The Clerk read as follows:

Wherever the word "fifty" appears in the motion to recommit, strike out the same and insert in lieu thereof the words "twenty-five."

The SPEAKER. Now the Clerk will report the Donohoe substitute.

Mr. ADAMSON. Mr. Speaker, I would like to have the previous question ordered on the motion to recommit and the two propositions to amend it.

The SPEAKER. The Chair will recognize the gentleman from Georgia as soon as the Clerk reads the Donohoe substitute.

Mr. ADAMSON. He wanted it read and printed.

Mr. DONOHOE. It will answer my purpose, Mr. Speaker, to have it printed.

Mr. ADAMSON. That is what I understood.

The SPEAKER. The gentleman from Pennsylvania [Mr. DONOHOE] asks unanimous consent to have the substitute printed in the RECORD in lieu of having it read. Is there objection?

There was no objection.

Following is the motion to recommit offered by Mr. DONOHOE:

Strike out all after the enacting clause and insert the following:

"SECTION 1. That the Secretary of the Interior be, and hereby is, authorized and empowered, under general regulations to be fixed by him and under such terms and conditions as he may prescribe, not inconsistent with the terms of this act, to lease to citizens of the United States, or those who have declared their intention to become such, or to any association of such persons, or to any corporation organized under the laws of the United States or any State or Territory thereof, any part of the lands and other property of the United States (including Alaska), reserved or unreserved, including lands in national forests, national monuments, military and other reservations, not including national parks, for a period not longer than 50 years for the purpose of constructing, maintaining, and operating dams, water conduits, reservoirs, power houses, transmission lines, and other works, necessary or convenient to the development, generation, transmission, and utilization of hydroelectric power, which leases shall be irrevocable except as herein provided, but which may be declared null and void upon breach of any of their terms: *Provided*, That such leases shall be given within or through any of said national forests, military or other reservations only upon a finding by the chief officer of the department under whose supervision such forest, national monument, or reservation falls that the lease will not injure, destroy, or be inconsistent with the purpose for which such forest, national monument, or reservation was created or acquired: *Provided further*, That in the granting of leases under this act the Secretary of the Interior may, in his discretion, give preference to applications for leases for the development of electrical power by States, counties, or municipalities, or for municipal uses and purposes: *Provided further*, That for the purpose of enabling an applicant for a lease to secure the data required in connection therewith, the Secretary of the Interior may, under general regulations to be issued by him, grant a preliminary permit authorizing the occupation of public lands valuable for water-power development for a period not exceeding one year in any case, which time may, however, upon application be extended by the Secretary if the completion of the application for lease has been prevented by unusual weather conditions or by some special or peculiar cause beyond the control of the permittee, the tenure of the proposed lease and the charges or rentals to be collected thereunder to be specified in said preliminary permit, and such permittee upon filing an application for lease prior to the expiration of the permit period shall be entitled to a preference right to lease the lands embraced in the permit upon the terms, conditions, and limitations authorized by this act.

"SEC. 2. The Interstate Commerce Commission is hereby authorized to lease to the citizens of the United States, or those who have declared their intention to become such, or to any association of such persons, or to any corporation organized under the laws of the United States, for a period not longer than 50 years, the right to construct and maintain a dam for water power or other purposes across or in or across any of the navigable waters of the United States, or in or across any of the flowing waters to such navigable waters, whether navigable or nonnavigable; and said Interstate Commerce Commission is further authorized to lease for said period not to exceed 50 years to said mentioned parties any part of the boundary waters, navigable or nonnavigable, dividing the States of the United States from one another, for the erection therein or connected therewith of dams, water conduits, reservoirs, power houses, and other works necessary to the development, generation, transmission, and utilization of hydroelectric power, which leases shall be irrevocable except as herein provided, but which may be declared null and void upon a breach of any of their terms: *Provided*, That such dams shall not be built or commenced until the plans and specifications for such dam and all accessory works, together with such drawings of the proposed construction and such map of the proposed location as may be required for a full understanding of the subject, have been submitted to the Secretary of War and the Chief of Engineers for their approval, nor until they shall have approved such plans and specifications and the location of such dam and accessory works; and when the plans and specifications for any dam to be constructed under the provisions of this act have been approved by the Chief of Engineers and by the Secretary of War it shall not be lawful to deviate from such plans or specifications, either before or after completion of the structure, unless the modifications of such plans or specifications has previously been submitted to and received the approval of the Chief of Engineers and the Secretary of War: *Provided*, That in approving the plans, specifications, and location for any dam, such conditions and stipulations may be imposed as the Chief of Engineers and the Secretary of War may deem necessary to protect the present and future interests of the United States, which may include the condition that the persons constructing or maintaining such dam shall construct, maintain, and operate, without expense to the United States, in connection with any dam and accessory or appurtenant works, a lock or locks, booms, sluices, or any other structure or structures which the Secretary of War and the Chief of Engineers or Congress at any time may deem necessary in the interests of navigation, in accordance with such plans as they may approve, and also that whenever Congress shall authorize the construction of a lock or other structures for navigation purposes in connection with such dam the persons owning such dam shall convey to the United States, free of cost, title to such land as may be required for such constructions and approaches, and shall grant to the United States free water power or power generated from water power for building and operating such constructions: *Provided further*, That in acting upon said plans as aforesaid the Chief of Engineers and the Secretary of War shall consider the bearing of said structure upon a comprehensive plan for the improvement of the waterway over which it is to be constructed, with a view to the promotion of its navigable quality and the conservation and protection of waters contributory and contributing to its navigability, navigable or nonnavigable, and for the full development of water power, and as a part of the conditions and stipulations imposed by them shall provide for improving and developing navigation, and fix such charge or charges for the privilege granted as may be sufficient to restore conditions with respect to navigability as existing at the time such privilege be granted, or reimburse the United States for doing the same, and for such additional or further expense as may be incurred by the United States with reference to such project, including the cost of any investigations necessary for approval of plans and of such supervision of construction as may be necessary in the interests of the United States. The right is hereby reserved to the United States to construct, maintain, and operate, in connection with any dam built in accordance with the provisions of this act, a suitable lock or locks, booms, sluices, or any other structures for navigation purposes, and at all times to control the said dam and the level of the pool caused by said dam to such an extent as may be necessary to provide proper facilities for navigation. The persons constructing, maintaining, or operating any dam or appurtenant or accessory works, in accordance with the provisions of this act, shall be liable for any damage that may be inflicted thereby upon private property, either by overflow or otherwise. The persons owning or operating any such dam or accessory works subject to the provisions of this act shall maintain, at their own expense, such lights and other signals thereon, and such fishways as the Secretary of Commerce and Labor shall prescribe, and for failure so to do in any respect shall be deemed guilty of a misdemeanor and subject to a fine of not less than $500, and each month of such failure shall constitute a separate offense and subject such persons to additional penalties therefor: *Provided further*, That as a condition to the issuing of said permit or the granting of said lease the applicant shall first present to said commission the request, in writing, of the respective States whose dividing line is said boundary waters, navigable or nonnavigable, which separates said States; the State in which said dam is to be erected shall provide for its method of application and the other States it and their method of approval.

"SEC. 3. That the international joint commission created by virtue of the provisions of article 8 of the treaty between the United States of America and His Majesty the King of the United Kingdom of Great Britain and Ireland and of the Dominions Beyond the Seas, Emperor of India, dated the 11th day of January, 1909, is hereby authorized to

lease to the citizens of the United States, or those having declared their intention to become such, or to any association of such persons, or to any corporation organized under the laws of the States bordering on the boundary waters between the United States and the Dominion of Canada for a period not longer than 50 years for the purpose of constructing, maintaining, and operating dams, water conduits, reservoirs, power houses, transmission lines, and other works necessary or convenient to the development, generation, transmission, and utilization of hydroelectric power, which leases shall be irrevocable except as herein provided, but which may be declared null and void upon breach of any of their terms: *Provided further*, That said international joint commission in granting of the leases mentioned under this act shall give preference to persons, firms, or corporations now using the waters of said boundary line conditional that the users of said waters shall obligate themselves to comply with all terms and provisions herein set forth and shall surrender to said international joint commission for the respective benefit of the respective Governments whatever easements that may now have by virtue of any lease or agreement with any of the respective States bordering on such boundary waters: *Provided further*, That said international joint commission shall issue no permit or authorize the granting of any lease to said mentioned parties until there shall be presented to it the consent, in writing thereto, of the respective States bordering on boundary waters in which it is proposed to erect said dam, such consent to be indicated in the matter mentioned herein in section 2: *Provided further*, That as a condition to the issuing of said permit by said international joint commission the said applicant shall present the plans and specifications for such dam and all accessory works, together with such drawings of the proposed construction and such map of the proposed location as may be required for a full understanding of the subject to the Secretary of War and Chief of Engineers for their approval, nor until they shall have approved such plans and specifications and the location of such dam and accessory works; and when the plans and specifications for any dam to be constructed under the provisions of this act have been approved by the Chief of Engineers and by the Secretary of War it shall not be lawful to deviate from such plans or specifications either before or after completion of the structure unless the modification of such plans or specifications has been previously submitted to and received the approval of the Chief of Engineers, the Secretary of War, and the international joint commission: *Provided further*, That if it shall be found that said dam and accessory works have materially diverted said boundary waters or interfere with its natural flow whereby injury has occurred to the navigation interest on either side of said boundary water, or has in any way lowered the levels of said waters flowing across the boundary, the effect of which is to raise or lower the natural levels of the water on either side of the boundary waters whereby said navigation is affected or liable to become affected by reason of said interference, the said applicant shall upon notice in writing by said international joint commission remove the cause for the same and in case of inability to restore said waters to their natural levels then, and in that case, the said international joint commission shall cause notice in writing to be given to said lessee to remove said dam and restore said waters to their former condition without cost to the United States, Great Britain, or the international joint commission.

"SEC. 4. That all leases issued by the Secretary of the Interior, the Interstate Commerce Commission, and the International Joint Commission made in pursuance of this act shall provide for the diligent, orderly, and reasonable development and continuous operation of the water power, subject to market conditions, and may provide that the lessee shall at no time, without the consent of the Secretary of the Interior, the Interstate Commerce Commission, and the International Joint Commission, contract for the delivery to any one consumer of electrical energy in excess of 50 per cent of the total output.

"SEC. 5. That every applicant for a lease, whether before the Secretary of the Interior, the Interstate Commerce Commission, or the International Joint Commission, shall file a statement of his citizenship or the certificate of incorporation if organized under any State law or the laws of the United States, or the Territory thereof, together with a schedule of his or its assets and liabilities. That said applicant shall also file with said commission a further statement that he or it will not engage, directly or indirectly, in a like or similar business, nor will he combine with others in any unlawful trust, nor contract or conspire to limit the output of electric energy or in restraint of the generation, sale, or distribution of electric energy, or the exercises of any other business contemplated.

"SEC. 6. That upon the issuing and granting of permit to build said dam and accessory works by either the Secretary of the Interior, Interstate Commerce Commission, or the International Joint Commission the said dam, its accessory works, and all its connections used in said plant shall be, and the same is hereby, declared for a period of three years from and after its completion to be forever released, and the same is hereby discharged, of and from all taxation, Federal, State, or municipal; and the capital stock, bona fide, issued or the capital invested by any individual or corporation, and the improvements here mentioned, are also for said period of three years declared to be free from all taxation, Federal, State, or municipal: *Provided, however*, That this exemption from taxation shall not apply to present existing enterprises now in operation.

"SEC. 7. That from and after said period of three years all holders of leases granted pursuant to the provisions of this act, as well as all existing enterprises now in operation and using the waters herein mentioned, irrespective of how organized, whether under State, Territorial, or Federal control, shall pay into the Treasury of the United States such a sum as the Interstate Commerce Commission shall find as a reasonable and fair charge to exact yearly for the privileges hereby granted, which sum so fixed shall be the annual rate or charge to be exacted for a period of five years, at the end of which period a new charge or price may be fixed as in the judgment of said commission it may deem reasonable and just, and such valuation shall continue during the lifetime of such lease; that the sum so paid in the Treasury of the United States shall continue to accumulate until the sum of $1,000,000 is paid in, at which time the then Congress shall dispose of it as it shall deem best.

"SEC. 8. That the Interstate Commerce Commission is hereby authorized to examine the books and accounts of all lessees under the terms of this act, irrespective of the authority issuing the same, and to require them to submit statements, representations, or reports, including information as to cost of water rights, lands, easements, and other property acquired, production, use, distribution, and sale of energy, all of which statements, representations, or reports so required shall be upon oath, unless otherwise specified, and in such form and upon such blanks as the Interstate Commerce Commission may require; and any person making any false statement, representation, or reports under oath shall be subject to punishment as for perjury; that each and all of said applicants shall file with said Interstate Commerce Commission schedules and classifications and tariffs of rates, charges, contracts, and agreements so fixed for light, power, heat, and other incidents connected with and going out of the water right hereby granted.

"SEC. 9. That said Interstate Commerce Commission is authorized when requested by the Secretary of the Interior or a majority of its members or by the International Joint Commission or by the Congress of the United States, to call upon the President of the United States to select a special committee for the purpose of fixing and adjusting the rates to be charged by said power companies or persons engaged in said hydroelectric business to consumers under leases by virtue of this act; that said committee to be composed of five members, three of whom shall be selected by said Interstate Commerce Commission from its members and two by the President of the United States not connected with said commission, who shall determine the question as to the reasonableness of rates charged to consumers; also whether or not the business of said corporations or permittees will justify the issuing of additional stock and bonds by said water-power company; that said special committee, when selected, is hereby authorized to employ experts to aid in the work of inquiry and examination, and such clerks, stenographers, and other assistants as may be necessary to the performance of the duties herein imposed upon them; and they shall also determine, and when so determined shall be binding and become a part of the lease or permit so issued, the reasonableness or unreasonableness of the charges made for the sale of its commodity; and the finding of said committee as to charges and the issuing of said stock and bonds shall be final and conclusive.

"SEC. 10. That the leases hereby granted shall expire at the time therein mentioned, but the said Secretary of the Interior and the Interstate Commerce Commission may, in writing, within five years prior to the termination or expiration of said leases, exercise the right to select said dams and accessory works for the use of the United States upon the payment to the owners thereof of such a price as shall be determined by said Interstate Commerce Commission; that at the expiration of said leases there shall be no renewal thereof except by Congress, nor shall there be paid to said lessees any sum of money for any property so erected and then remaining in and about the waters heretofore mentioned, save alone as Congress shall then determine. All conflicting provisions contained in any act of Congress granting consent to the construction of any dam are hereby repealed, and all such previous authorizations are to be altered, amended, and modified hereby as to conform to all of the conditions and provisions incorporated in this act."

Mr. BRYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a motion to recommit which I have had prepared.

The SPEAKER. The gentleman from Washington [Mr. BRYAN] asks unanimous consent to extend his remarks in the RECORD by inserting his motion to recommit. Is there objection?

There was no objection.

Mr. BRYAN. Mr. Speaker, I had prepared and intended to offer the following motion to recommit. Having been denied recognition for that purpose, because I am for the bill as amended, in favor of the gentleman from Minnesota, who asserted his intention to vote against the bill, I avail myself of the unanimous consent conferred to extend the proposed motion in the RECORD.

I move to recommit to the Committee on Interstate and Foreign Commerce, with instructions to report the same at once to the House, amended so as to read as follows:

"A bill (H. R. 17928) to amend an act entitled 'An act to regulate the construction of dams across navigable waters,' approved June 21, 1906, as amended by the act approved June 23, 1910.

"*Be it enacted, etc.*, That the act entitled 'An act to regulate the construction of dams across navigable waters,' approved June 23, 1910, be, and the same is hereby, amended to read as follows:

"'SEC. 1. That when authority has been or may hereafter be granted by Congress, either directly or indirectly, or through any duly authorized official or officials of the United States, to any person to construct, maintain, and operate a dam and accessory works for water power or other purposes across or in any of the navigable waters of the United States, such dam shall not be built or commenced until the plans and specifications for such dam and all accessory works, together with such drawings of the proposed construction and such map of the proposed location as may be required for a full understanding of the subject, have been submitted to the Secretary of War and the Chief of Engineers for their approval, nor until they shall have approved such plans and specifications and the location of such dam and accessory works; and after such approval it shall not be lawful to deviate from such plans or specifications either before or after completion of the structure unless the modification of such plans or specifications has previously been submitted to and received the approval of the Chief of Engineers and of the Secretary of War.

"'SEC. 2. That as a part of such approval such conditions and stipulations in addition to those hereinafter specified may be imposed as the Secretary of War and the Chief of Engineers may deem necessary to protect the present and future interests of the United States, which may include the condition that the persons constructing, maintaining, or operating such dam shall construct, maintain, and operate without expense to the United States, in connection with any dam or accessory or appurtenant works, a lock or locks, booms, sluices, or any other structure or structures which the Secretary of War and the Chief of Engineers or Congress may at any time deem necessary in the interest of navigation, in accordance with such plans as they may approve, and also whenever Congress shall authorize the construction of a lock or other structures for navigation purposes in connection with such dam, the persons owning such dam shall convey to the United States, free of cost, title to such land as may be required for such locks, structures, and approaches thereto, and shall furnish to the United States, free of cost, water power or power generated from water power for building, operating, and lighting such lock, structures, and approaches thereto, and at the discretion of the Secretary of War and Chief of Engineers may be required to maintain and operate such lock or locks or other structures without expense to the United States.

"'SEC. 3. That as a part of said approval the Secretary of War and the Chief of Engineers shall require that the plans, specifications, and location for any dam shall be such as shall be best adapted to a comprehensive plan for the improvement of the waterway in question for

the uses of navigation and for the full development of its water power, and for other beneficial public purposes, and best adapted to conserve and utilize, in the interest of navigation and water-power development, the water resources of the region.

"'SEC. 4. That the Secretary of War is authorized and directed as a part of the conditions and stipulations to provide—

"'(a) For reimbursement to the United States of all expenses incurred by the United States with reference to the project, including the cost of any investigation necessary for the approval of the plans as heretofore provided, and for such supervision of construction as may be necessary in the interest of the United States.

"'(b) For the payment to the United States of reasonable annual charges for the benefits which may accrue to such project from the construction, operation, and maintenance by the United States of headwater improvements on any such stream, including storage reservoirs and forest watersheds or lands acquired or held by the United States, such charges to be fixed from time to time by the Secretary of War and to be based upon a reasonable compensation apportioned among the grantee and others similarly situated upon the same stream receiving direct benefits by reason of the development, improvement, or preservation of navigation in such stream in which such dam or appurtenant or accessory works may be constructed.

"'(c) For the payment to the United States of reasonable annual charges for the benefits which accrue to the grantee through authority given under this act, the proceeds thereof to be used for the development of navigation, but no charges made under this act shall prevent the earning of a reasonable return upon the actual investment of the grantee in any project constructed and operated under the provisions of this act, such investment to include the cost to the grantee of the lock or locks, or other aids to navigation, and all other capital expenditures required by the United States, and in determining such annual charges the grantee shall be credited with the cost of the maintenance and operation of lock or locks or other aids to navigation.

"'(d) For the payment to the United States of such charge or charges as the Secretary of War and the Chief of Engineers may deem reasonable, and as may be sufficient to restore conditions upon such stream as to navigability as existing at the time of such approval whenever they shall determine that navigation has been or will be injured by reason of the construction, maintenance, and operation of such dam and its accessory and appurtenant works.

"'SEC. 5. That no charges shall be made for the benefits which accrue through authority given under this act to a State or municipal corporation developing electrical energy solely for municipal use in so far as there is direct distribution to consumers by State or municipality.

"'SEC. 6. That the operation of navigation facilities, which shall be constructed as a part of or in connection with any such dam, whether at the expense of such grantee or of the United States, shall at all times be subject to such reasonable rules and regulations in the interest of navigation, including the control of the level of the pool caused by any such dam, as shall be made by the Secretary of War and the Chief of Engineers, and in the use and operation of such navigation facilities the interests of navigation shall be paramount to the uses of such dam by such grantee for power purposes. Such rules and regulations may include the maintenance and operation by such grantee, at its own expense, of such lights and other signals as may be directed by the Secretary of War and the Chief of Engineers, and such fishways as shall be prescribed by the Secretary of Commerce; and for failure to comply with any such rule or regulation such grantee shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine of not less than $500 for each month's default, in addition to other penalties herein prescribed or provided by law.

"'SEC. 7. That the persons constructing, maintaining, or operating any dam or appurtenant or accessory works in accordance with the provisions of this act shall be liable for any damage that may be inflicted thereby upon private property, either by overflow or otherwise.

"'SEC. 8. That if any grantee shall fail or refuse to comply with any of the provisions and requirements of this act, or to perform any of the stipulations and conditions prescribed as aforesaid by the Secretary of War and the Chief of Engineers, including the payment of the charges prescribed, or who shall fail or refuse, after receiving reasonable notice thereof, to comply with the lawful order of the Secretary of War, made in accordance with the provisions of this act, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding $5,000, and every month such grantee shall remain in default shall be deemed a new offense and subject such grantee to additional penalties therefor; and in addition to said penalties the Attorney General may, on request of the Secretary of War, institute proper proceedings in the district court of the United States in the district in which such structure or any of its accessory works are situated for the purpose of having such violation stopped by injunction, mandamus, or other process; and any such district court shall have jurisdiction over all such proceedings and shall have the power to make and enforce all writs, orders, and decrees necessary to compel the compliance with the requirements of this act and the lawful orders of the Secretary of War and the Chief of Engineers and the performance of any condition or stipulation imposed under the provisions of this act; and if the unlawful construction, maintenance, and operation are shown to be such as shall require a revocation of all rights and privileges held under authority of this act, the court may decree such revocation. In case of such a decree the court may wind up the business of such grantee conducted under the rights in question, and may decree the sale of the dam and all appurtenant property constructed or acquired under the authority of this act, and may declare such dam and accessory and appurtenant works to be an unreasonable obstruction to navigation and cause their removal at the expense of the grantee owning or controlling the same, except when the United States has been previously reimbursed for such removal, or may provide for the sale of the dam and all accessory and appurtenant works constructed under authority of this act for the further development of water power, and may make and enforce such other and further orders and decrees as equity demands; and in case of such a sale for the further development of water power the vendee shall take the rights and privileges and shall perform the duties which belonged to the previous grantee, and shall assume such outstanding obligations and liabilities arising out of the construction, maintenance, and operation of said dam and accessory and appurtenant works for power purposes and navigation facilities as the court may deem equitable in the premises.

"'SEC. 9. That no right or privilege accruing from property or project constructed, maintained, or operated under the provisions of this act shall be assigned or transferred without the previous written consent and approval of the Secretary of War: *Provided, however,* That nothing contained herein shall preclude the issuance of trust deeds or mortgages for the purpose of financing. Any successor or assign of such property or project, whether by voluntary transfer, judicial sale, or foreclosure sale or otherwise, shall be subject to all the conditions of the approval under which such rights are held, and also subject to all the provisions and conditions of this act to the same extent as though such successor or assign were the original grantee hereunder.

"'SEC. 10. That the rights herein granted shall continue for a period not to exceed 50 years from and after the date of the original approval of the plans and specifications by the Secretary of War and Chief of Engineers, but Congress may revoke any rights conferred in pursuance of this act whenever it is necessary for public use, and in the event of any such revocation by Congress the United States shall pay the owners thereof as hereinafter provided.

"'SEC. 11. That at any time after the expiration of said 50 years the Secretary of War may terminate the rights hereby granted upon giving to the owners thereof one year's notice in writing of such termination, and upon the taking over by the United States, or by any person authorized by Congress, of all of the property dependent in whole or in part for its usefulness upon the rights hereby granted, which shall include all necessary and appurtenant property created or acquired, and valuable or serviceable in the distribution of water, or in the generation, transmission, and distribution of power, and all other property of the grantee, the value and usefulness of which would be destroyed or seriously impaired by such termination, and upon paying the actual cost of rights of ways, water rights, lands, and interest therein purchased and used by the grantee in the generation and distribution of electrical energy, and fair value of all other property taken over, together with the cost to the grantee of the lock or locks or other aids to navigation and all other capital expenditures required by the United States, and asssuming all contracts for electrical energy extending beyond the granting period which have had, or may have, the approval of the Secretary of War, and which were entered into in good faith and at a reasonable rate. The actual costs and the fair value of said property shall be determined by agreement between the Secretary of War and the owners of such property, and in event of their failure to agree, then by proceedings instituted by the United States, in the district court of the United States within which any portion of such dam may be located. In the determination of the value of said property upon the termination or revocation of said grant as provided in this act no value shall be claimed or allowed for the rights hereby granted, for good will, going value, profit in pending contracts for electrical energy, for other conditions of current or prospective business, or for any other intangible element.

"'SEC. 12. That in all cases where the electric current generated from or by any of the projects provided for in this act shall enter into interstate or foreign commerce, or be transmitted to or from any State, Territory, foreign country, or the District of Columbia, the rates, charges, and service for the same to the ultimate consumers thereof shall be just and reasonable, and every unjust and unreasonable and unduly discriminatory charge, rate, or service therefor is hereby prohibited and declared to be illegal; and whenever the Secretary of War shall be of the opinion that the rates or charges demanded or collected on the service rendered for such electric current are unjust, unreasonable, or unduly discriminatory, upon complaint made thereof and full hearing thereon the Secretary of War is hereby authorized and empowered to determine and prescribe what shall be the just and reasonable rates and charges therefor to be observed as the maximum to be charged and the service to be rendered; and in case of the violation of any such order of the Secretary of War the provisions of this act relative to forfeiture and failure to comply shall apply. That in the valuation for rate-making purposes of the property existing under said approval of the project there may be considered any lock or locks, or other aids to navigation, and all other capital expenditures required by the United States, but no value shall be claimed or allowed for authority granted by this act or for any other intangible element.

"'The Secretary of War is further authorized and directed to include among the conditions for his approval of any plans or any project herein provided, as an express condition thereof, a clause reserving to the Secretary of War the same rights, powers, and duties set forth in this section, together with the same penalty for violation thereof: *Provided,* That whenever the State in which such current shall be used provides by law adequate regulations for rates, charges, and service to the ultimate consumers for such electric current and such regulation, and such facts are established to the satisfaction of the Secretary of War, then in such case the provision of this section shall not apply to the rates, charges, and service in and for such State.

"'SEC. 13. That the grantee shall commence the construction of the dam and accessory and appurtenant works within one year from the date of the approval herein provided, and shall thereafter, in good faith and with due diligence, prosecute such construction, and shall within the further term of three years complete and put in commercial operation such part of the ultimate development as the Secretary of War and the Chief of Engineers shall deem necessary to supply the reasonable market demands, and extension of the periods herein specified, not to exceed one year, may be granted by the Secretary of War, on recommendation of the Chief of Engineers, when, in his judgment, the public interest will be promoted thereby, and after the completion of said dam and works they shall be operated continuously for the development of electrical energy. In case the grantee shall not commence actual construction within the time herein prescribed, then the authority as to such grantee shall terminate; and in case any dam and accessory and appurtenant works be not completed within the time herein specified or extended as herein provided, then the Attorney General, upon request of the Secretary of War, shall institute proper proceedings in the proper district court of the United States for the revocation of said authority, the sale or removal of the works constructed, and such other equitable relief as the case may demand as provided in section 9 of this act.

"'SEC. 14. That the Secretary of War is further authorized and directed to provide rules and regulations for uniform accounting; to examine the books and accounts of grantees under the terms of this act; to require them to submit statements, representations, or reports, including information as to assets and liabilities, cost of water rights, rights of ways, lands, and other property acquired, the production, use, transmission, and sale of electrical energy. All such statements, representations, or reports shall be upon oath, unless otherwise specified, and in such form and on such blanks as the Secretary of War may require; and any person making any false statement, representation, or report under oath shall be deemed guilty of perjury, and on conviction thereof shall be punished by a fine not exceeding $1,000, in addition to other penalties provided by law.

"'SEC. 15. That the Secretary of War be, and hereby is, authorized to lease the surplus water and water power generated at dams and works now or hereafter constructed, wholly or in part by the United States in the interest of navigation, on such terms and conditions, and for such periods of time, not to exceed 50 years, as may be deemed by the Secretary of War for the best interest of the United States, subject, however, to the provisions of this act as aforesaid. In granting leases under this provision the Secretary of War may, in his discretion, give preference to applications for leases for the development of electrical power by States or municipalities developing electrical energy solely for municipal use; and all leases and the parties thereto and the terms and conditions thereof shall be reported annually to Congress.

"'SEC. 16. That the works constructed, maintained, and operated under the provisions of this act shall not be owned, leased, trusteed, controlled, or operated by any device, or in any manner so that they form a part of or in any manner effect any combination in the form of an unlawful trust or monopoly, or form the subject of an unlawful contract or conspiracy to limit the output or to fix, maintain, or increase prices of electric energy or in restraint of the generation, transmission, sale, or distribution of electric energy or the exercises of any other business contemplated: *Provided, however*, That it shall be lawful with the approval of the Secretary of War for different grantees to exchange and interchange currents, to assist one another whenever necessary, in his discretion, by supplementing the currents or power, and enable any grantee to secure assistance to carry on the business and supply his customers, accounting therefor any paying therefor under regulations to be prescribed by the Secretary of War.

"'In no case shall such an arrangement be permitted to raise the price, render unjust or unfair any practice, work, or service, or operate in restraint of trade.

"'SEC. 17. That the word "persons" as used in this act shall be construed to import both the singular and the plural, as the case demands, and shall include corporations, companies, and associations. The word "dam" as used in this act shall be construed to import both the singular and the plural, as the case demands.

"'SEC. 18. That all provisions of this act shall apply alike to all existing enterprises in operation or authorized under an act entitled "An act to regulate, etc., approved June 23, 1906, as amended by the act approved June 23, 1910"; and all conflicting provisions thereof are hereby repealed.

"'SEC. 19. That the right to alter, amend, or repeal this act is hereby expressly reserved as to any and all dams which may be authorized in accordance with the provisions of this act. In such case the United States shall incur no liability for the alteration, amendment, or repeal thereof to the owner or owners or any other persons interested in such dam.'"

Mr. DONOHOE. I also desire to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. DONOHOE. Mr. Speaker, in presenting this substitute I desire to say that I do so at the request of Hon. Edward T. Cahill, who has made a special study of hydroelectric and navigation laws and has examined in detail the policies and plans of the water-power companies interested in this legislation.

Mr. Cahill brought the sovereign power of the State of Wisconsin into the controversy of the State of Illinois to conserve for public use the Illinois River and preserve for future generations the water passageway through the Great Lakes from the Atlantic to the Gulf. He also formed, and is now president of, the National Liberty and Commercial League, whose land and conservation policies are not limited to any individual idea or the declared policy of any set of men, but is as broad and comprehensive as the Nation itself.

DIFFERENCES IN BILLS.

It will be acknowledged by every Member of this House that there has been a great divergence of opinion as to which of the several bills presented is best for the public interest. The bill as first prepared by the Committee on Interstate and Foreign Commerce was not satisfactory; neither was the bill introduced by Mr. FERRIS, of the Public Lands Committee, or the more recent report of the Committee on Foreign Affairs, submitted by Mr. CLINE, covering the waters of Niagara Falls.

Time will not permit an analysis of these bills, but suffice to say that after numerous conferences at the White House the Adamson bill has been so amended until the original bill would not be known, and the cause for these amendments is an effort to conserve the public interest and preserve, if possible, the best features of the dam act.

One of the defects of the Adamson bill, which has now been acknowledged, was the invasion of the prerogatives and jurisdiction of the Secretary of the Interior and the Secretary of Agriculture upon the public lands of the United States and the existing rights now granted to power companies under permits issued by them.

In the bill presented by the Foreign Affairs Committee, through Mr. CLINE, the whole spirit of the other bills with reference to national control is sought to be destroyed. It is already well known to that committee, as well as to almost every Member of this House, that the State of New York has issued to the great power trust corporations now using the waters of the Falls of Niagara in the development of hydroelectric power franchises for a period of 999 years, without exacting one penny of compensation therefor; and by this bill of the Committee on Foreign Affairs the question of compensation is to be fixed by that State which has absolutely parted with the rights of the public in this stream for all time. This feature, of course, has not been argued before this House for the reason that the waters involved at Niagara Falls are boundary waters and are not covered in the bill now before us for discussion; but in the substitute now introduced this feature, as well as numerous others, are embraced, as I will endeavor to show.

FAILURE TO PROTECT PUBLIC RIGHTS.

It will be noticed that there has been no suggestion of a change in section 7, page 6, by amendment or otherwise; yet this is fraught with most serious consequence to the public. In section 5 of the present navigation laws you will find that failure to comply with the lawful orders of the Secretary of War and the Chief of Engineers shall be deemed a violation of the act, and the penalty there imposed for such violation has been reduced from $5,000 to $1,000; and there was given the right to the Secretary of War to declare what an obstruction to navigation consisted of, for it is well known to the Members of this House that upon removal of obstructions to navigation no damages could be had against the Government for such removal. All of this is changed by the present bill. You take this power away from the Secretary of War and vest it in the courts. "The district court is given jurisdiction over all such proceedings and has the power to make and enforce all orders for the enforcement of this act." It will be noticed on page 8 that the court is further directed and empowered to make and enforce "such other and further orders and decrees as equity may demand."

Under the language just quoted it is clear to me that questions of the policy of laws which are embodied in the Adamson bill are not to be determined by the officers of the Government, but by the court alone. You substitute here an executive power and seek to vest its discretion in a judicial court.

The seriousness of this language can be realized only when one stops to consider that you propose giving a lease for 50 years. At the end of these 50 years you can not terminate this lease, because you have vested in the court certain functions belonging to Congress, and the court, by reason of these functions, may prolong this lease indefinitely, and Congress, by its act, would surrender one of its prerogatives to the judicial power and place in its hands that which Congress alone should exercise. Congress would thereby absolutely part with its functions and leave them to a chancery court, which might tie the hands of the Government for years. In the meantime the power of the Government to improve its streams as the demands of commerce may warrant would be destroyed.

STATE AND FEDERAL RIGHTS INVOLVED.

The great question here is the power exercised by the respective States and the Federal Government in their navigable and nonnavigable waters. Decision after decision has been quoted on this floor. Those insisting upon State rights contend that the States alone shall be considered in the matter. Mr. STEVENS of Minnesota and Mr. ADAMSON, the advocates of this bill, are the exponents of this doctrine. Volumes of legal opinions have been cited on both sides of this controversy, and no public benefit has accrued by reason of these differences of opinion. Mr. STEVENS states—

> That for 100 years a man could put up a dam on a navigable stream and no Federal authority did attempt to interfere. It was so until the act of 1899, that provided that no dam should be constructed in a navigable stream without the consent of Congress. Up to that time a man could construct all the dams he wanted to put up and take all the chances he wanted to in a navigable stream under authority of the States or otherwise.

The questions of navigability and nonnavigability have been defined on this floor from the beginning down to the recent decisions in the Union Bridge case and the Chandler Dunbar case, until now the situation is charged with an atmosphere of uncertainty; and to the layman, uneducated in the niceties of the law, comes the perpetual questions, What is and what is not a navigable stream? When and where is the line to be drawn?

If the Adamson bill is passed it means the destruction of the work accomplished by the Mississippi River Commission created under an act of Congress of June 28, 1879, and numerous acts amendatory thereto, whereby the Government has already expended over $130,000,000, as well as authorized the further expenditure of millions for protecting the headwaters of not only this stream, but also others coursing from their fountain heads through the various States of the Union.

It is too late to go backward, so we must go forward. Already our reclamation and national reservation acts and those for the preservation of our forests have produced results incapable of being measured by dollars and cents. The whole

arid wilderness of the West is endangered, and the irrigation act of June, 1902, which resulted in the erection of the great reservoir in Phoenix, Ariz., is threatened by this bill. The great good already accomplished, the expenditure of close to $1,000,000,000, the general improvement of the rivers, harbors, and canals, aided and assisted by the Federal Government, and the great future now contemplated by the General Government which has for its object the conservation of the Federal resources of the Nation would be bartered away for little or nothing.

THE SUBSTITUTE BILL.

The substitute which I have presented covers the various objections that I have mentioned and seeks to better protect the public interest in the water power of the Nation.

We vest in the Secretary of the Interior and the Secretary of Agriculture all the fundamental powers claimed by them under the existing law, and we preserve the unity of the States and their sovereignty in that no permit shall issue unless it shall first have the approval of the State.

We would give the Secretary of War the right to consider not only navigable streams, but tributaries and contributing waters which make them navigable, thus settling for all time this uncertain question; and following the language of the Supreme Court of the United States in the doctrine set forth in the later decisions, whereby they hold that any interference with nonnavigable streams contributing to the navigability of the navigable ones is within the power and duty of the Federal Government to take the proper precautions to preserve and safeguard these for future generations. These questions are thus settled for all time.

All theoretical and speculative questions as to navigability, State or Federal control, are here settled, and no one can complain, either the private owner or municipality, the State or National Government.

The question of determining whether a permit shall issue is safeguarded by the requirement of the seal of the State, and it is further protected in boundary waters between States by requiring joint action by the States in interest.

The powers here conferred on the Interstate Commerce Commission have indirectly been passed upon by the Supreme Court of the United States.

We have strengthened the arm of the War Department in the protection of our navigable streams by providing that they shall also consider tributary and contributing waters, and we have also provided for the protection of our commerce upon the Great Lakes and the other water highways of the Nation.

We also provide for and vest in the Joint International Commission the power to issue permits in international boundary waters, but call for joint action by the bordering States, and thereby preserve in such permit the levels of the lakes and preserve for all time their navigation.

EXEMPTION FROM TAXATION.

The exemption from taxation in the great manufacturing States of Illinois and Pennsylvania of the capital stock of manufacturing corporations has contributed to their unusual growth and development in those States, and with the object of inviting capital in these new enterprises we provide that all corporations and persons to whom a permit shall issue shall be free from taxation for a period of not less than three years.

This substitute provides for a revaluation every five years and a rental based thereon to be paid annually to the Government of the United States. The disposition of this fund, after it has accumulated to the amount of $1,000,000, is left to the future action of Congress.

It further provides that the Government shall have the right within five years before the expiration of the lease to take the property, but it does not compel the Government to do so, the intention being to leave with Congress the power to determine the future. We can not grant a vested interest; we can only give the right to use that for which the Government and the State are mere naked trustees.

These waters are incapable of ownership, and therefore can not be subject to a grant. The license to use can never attach itself so as to impose a duty on the grantor, for he can never make a grant; he can issue a license to use, but never grant an easement as against the public, so that the public at any time can, if it desires, recall the grant. Here we are dealing not with land but with incorporated hereditaments. [Applause.]

The SPEAKER. The gentleman from Georgia [Mr. ADAMSON] moves the previous question on the Smith amendment, the Fowler amendment to the Smith amendment, and the Donohoe substitute. The question is on agreeing to the motion for the previous question.

The previous question was ordered.

The SPEAKER. The question is on the amendment of the gentleman from Illinois [Mr. FOWLER] to the motion of the gentleman from Minnesota [Mr. SMITH] to recommit.

The question being taken, the Speaker announced that the noes appeared to have it.

Mr. FOWLER. Division, Mr. Speaker.

The SPEAKER. The gentleman from Illinois [Mr. FOWLER] asks for a division.

The House divided; and there were—ayes 24, noes 70.

Accordingly the amendment of Mr. FOWLER was rejected.

The SPEAKER. The question is on the Donohoe substitute.

The substitute of Mr. DONOHOE was rejected.

The SPEAKER. The question is on the motion of the gentleman from Minnesota [Mr. SMITH] to recommit.

The question being taken, the Speaker announced that the noes appeared to have it.

Mr. SMITH of Minnesota demanded a division, but pending the division withdrew the demand.

So the motion of Mr. SMITH of Minnesota to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

The SPEAKER. The ayes appear to have it; the ayes have it.

Mr. MURDOCK. The yeas and nays, Mr. Speaker.

Mr. DONOVAN. Too late.

The SPEAKER. No; it is not too late.

Mr. ADAMSON. I think the Speaker had made the announcement.

The SPEAKER. Oh, it is done that way every day. The Chair did not notice that the gentleman from Kansas was up. The gentleman from Kansas demands the yeas and nays.

The question being taken, 26 Members voted in the affirmative.

The SPEAKER. Those opposed to ordering the yeas and nays will rise and stand until they are counted. [After counting.] Twenty-six Members have voted in favor of ordering the yeas and nays, and 56 have voted against ordering the yeas and nays. Twenty-six, being more than one-fifth, are a sufficient number, and the Clerk will call the roll.

Mr. MANN. I make the point that there is no quorum present, Mr. Speaker. I think that is more convenient.

The SPEAKER. The gentleman from Illinois makes the point of no quorum present. There is no quorum present. There is no use to pretend to count. The Doorkeeper will lock the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 191, nays 47, answered "present" 6, not voting 188, as follows:

YEAS—191.

Abercrombie	Deitrick	Kettner	Ragsdale
Adamson	Dent	Key, Ohio	Rainey
Aiken	Dershem	Kindel	Raker
Alexander	Difenderfer	Kinkaid, Nebr.	Rauch
Allen	Dixon	Kirkpatrick	Rayburn
Anderson	Donovan	Konop	Reilly, Conn.
Ansberry	Doolittle	Korbly	Reilly, Wis.
Bailey	Doremus	Kreider	Roberts, Nev.
Baker	Doughton	La Follette	Rogers
Baltz	Dunn	Lee, Ga.	Rothermel
Barnhart	Evans	Lee, Pa.	Rubey
Bathrick	Falconer	Lesher	Rucker
Beakes	Farr	Lever	Russell
Bell, Cal.	Fergusson	Levy	Seldomridge
Blackmon	Ferris	Lewis, Md.	Shackleford
Booher	Finley	Linthicum	Shreve
Bowdle	FitzHenry	Lloyd	Sims
Brockson	Foster	Lobeck	Sisson
Brodbeck	Gallivan	Logue	Slemp
Broussard	Garner	Lonergan	Sloan
Brown, N. Y.	Garrett, Tenn.	McClellan	Smith, Idaho
Brumbaugh	Garrett, Tex.	McCoy	Smith, Saml. W.
Bryan	Gilmore	McKellar	Sparkman
Buchanan, Ill.	Glass	McKenzie	Stafford
Buchanan, Tex.	Good	McLaughlin	Stedman
Burgess	Goodwin, Ark.	Madden	Stephens, Cal.
Burke, S. Dak.	Gray	Maguire, Nebr.	Stevens, N. H.
Burke, Wis.	Hamlin	Manahan	Stone
Burnett	Hammond	Mann	Stout
Campbell	Hardy	Miller	Taylor, Ala.
Candler, Miss.	Harris	Mitchell	Taylor, Ark.
Cantor	Harrison	Montague	Taylor, Colo.
Caraway	Hart	Moon	Thacher
Carlin	Hay	Moore	Thomson, Ill.
Carr	Hayden	Morgan, Okla.	Townsend
Carter	Helm	Morin	Treadway
Church	Helvering	Moss, Ind.	Tribble
Cline	Hensley	Mulkey	Tuttle
Coady	Holland	Murray, Mass.	Underwood
Collier	Howard	Nolan, J. I.	Vare
Connelly, Kans.	Hull	Norton	Watkins
Conry	Humphreys, Miss.	Oldfield	Watson
Covington	Jacoway	Page, N. C.	Webb
Cox	Kahn	Park	Whaley
Cullop	Keating	Payne	Wilson, Fla.
Danforth	Kennedy, Conn.	Phelan	Wilson, N. Y.
Davis	Kennedy, Iowa	Pou	Wingo
Decker	Kennedy, R. I.	Quin	

NAYS—47.

Barton	Fowler	Johnson, Utah	Sinnott
Borchers	French	Keister	Smith, Minn.
Britten	Gallagher	Kelly, Pa.	Stevens, Minn.
Claypool	Greene, Mass.	Kiess, Pa.	Sutherland
Cooper	Greene, Vt.	Lieb	Tavenner
Cramton	Haugen	Lindbergh	Temple
Curry	Hawley	MacDonald	Towner
Dillon	Helgesen	Mapes	Volstead
Donohoe	Howell	Murdock	Witherspoon
Drukker	Hughes, W. Va.	Nelson	Woods
Edmonds	Hulings	Rupley	Young, N. Dak.
Esch	Johnson, Ky.	Scott	

ANSWERED "PRESENT"—6.

Butler	Johnson, Wash.	Moss, W. Va.	Walters
Guernsey	Morrison		

NOT VOTING—188.

Adair	Fairchild	Jones	Powers
Ainey	Faison	Kelley, Mich.	Prouty
Anthony	Fess	Kent	Reed
Ashbrook	Fields	Kinkead, N. J.	Riordan
Aswell	Fitzgerald	Kitchin	Roberts, Mass.
Austin	Flood, Va.	Knowland, J. R.	Rouse
Avis	Floyd, Ark.	Lafferty	Sabath
Barchfeld	Fordney	Langham	Saunders
Barkley	Francis	Langley	Scully
Bartholdt	Frear	Lazaro	Sells
Bartlett	Gard	L'Engle	Sherley
Beall, Tex.	Gardner	Lenroot	Sherwood
Bell, Ga.	George	Lewis, Pa.	Slayden
Borland	Gerry	Lindquist	Small
Brown, W. Va.	Gill	Loft	Smith, J. M. C.
Browne, Wis.	Gillett	McAndrews	Smith, Md.
Browning	Gittins	McGillicuddy	Smith, N. Y.
Bruckner	Godwin, N. C.	McGuire, Okla.	Smith, Tex.
Bulkley	Goeke	Mahan	Stanley
Burke, Pa.	Goldfogle	Maher	Steenerson
Byrnes, S. C.	Gordon	Martin	Stephens, Miss.
Byrns, Tenn.	Gorman	Merritt	Stephens, Nebr.
Calder	Goulden	Metz	Stephens, Tex.
Callaway	Graham, Ill.	Mondell	Stringer
Cantrill	Graham, Pa.	Morgan, La.	Sumners
Carew	Green, Iowa	Mott	Switzer
Cary	Gregg	Murray, Okla.	Taggart
Casey	Griest	Neeley, Kans.	Talbott, Md.
Chandler, N. Y.	Griffin	Neely, W. Va.	Talcott, N. Y.
Clancy	Gudger	O'Brien	Taylor, N. Y.
Clark, Fla.	Hamill	Oglesby	Ten Eyck
Connolly, Iowa	Hamilton, Mich.	O'Hair	Thomas
Copley	Hamilton, N. Y.	O'Leary	Thompson, Okla.
Crisp	Hardwick	O'Shaunessy	Underhill
Crosser	Hayes	Padgett	Vaughan
Dale	Heflin	Paige, Mass.	Vollmer
Davenport	Henry	Palmer	Walker
Dickinson	Hill	Parker	Wallin
Dies	Hinds	Patten, N. Y.	Walsh
Dooling	Hinebaugh	Patton, Pa.	Weaver
Driscoll	Hobson	Peters, Mass.	Whitacre
Dupré	Houston	Peters, Me.	White
Eagan	Hoxworth	Peterson	Williams
Eagle	Hughes, Ga.	Platt	Willis
Edwards	Humphrey, Wash.	Plumley	Winslow
Elder	Igoe	Porter	Woodruff
Estopinal	Johnson, S. C.	Post	Young, Tex.

So the bill was passed.

The Clerk announced the following pairs:

For the session:

Mr. BARTLETT with Mr. BUTLER.

Mr. METZ with Mr. WALLIN.

Mr. SCULLY with Mr. BROWNING.

Until further notice:

Mr. JOHNSON of South Carolina with Mr. WINSLOW.

Mr. SHERWOOD with Mr. MOTT.

Mr. BRYNES of South Carolina with Mr. KELLEY of Michigan.

Mr. BULKLEY with Mr. FESS.

Mr. SAUNDERS with Mr. ANTHONY.

Mr. FITZGERALD with Mr. FORDNEY.

Mr. HUGHES of Georgia with Mr. MERRITT.

Mr. CALLAWAY with Mr. WILLIS.

Mr. ASWELL with Mr. CARY.

Mr. LAZARO with Mr. PARKER.

Mr. KITCHIN with Mr. ROBERTS of Massachusetts.

Mr. ASHBROOK with Mr. AUSTIN.

Mr. DAVENPORT with Mr. J. M. C. SMITH.

Mr. CANTRILL with Mr. COPLEY.

Mr. HOUSTON with Mr. LANGHAM.

Mr. DALE with Mr. MARTIN.

Mr. SLAYDEN with Mr. BURKE of Pennsylvania.

Mr. MORGAN of Louisiana with Mr. LINDQUIST.

Mr. EDWARDS with Mr. GRIEST.

Mr. BELL of Georgia with Mr. CALDER.

Mr. ESTOPINAL with Mr. FREAR.

Mr. FIELDS with Mr. LANGLEY.

Mr. STEPHENS of Nebraska with Mr. LEWIS of Pennsylvania.

Mr. YOUNG of Texas with Mr. AINEY.

Mr. CLANCY with Mr. HAMILTON of New York.

Mr. BYRNS of Tennessee with Mr. BARCHFELD.

Mr. CASEY with Mr. GREENE of Iowa.

Mr. CLARK of Florida with Mr. HAMILTON of Michigan.

Mr. DUPRÉ with Mr. HAYES.

Mr. GODWIN of North Carolina with Mr. CARY.

Mr. GOLDFOGLE with Mr. HINEBAUGH.

Mr. GRAHAM of Illinois with Mr. MCGUIRE of Oklahoma.

Mr. HEFLIN with Mr. MONDELL.

Mr. HOWARD with Mr. PATTON of Pennsylvania.

Mr. PALMER with Mr. PLUMLEY.

Mr. PATTEN of New York with Mr. SELLS.

Mr. RIORDAN with Mr. POWERS.

Mr. SHERLEY with Mr. WILLIS.

Mr. WALKER with Mr. PLATT.

Mr. YOUNG of Texas with Mr. WOODRUFF.

Mr. HARDWICK with Mr. J. R. KNOWLAND.

Mr. HENRY with Mr. HINDS.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. ROUSE with Mr. PORTER.

Mr. FRANCIS with Mr. CHANDLER of New York.

Mr. FLOOD of Virginia with Mr. FAIRCHILD.

Mr. MORRISON with Mr. HUMPHREY of Washington.

Mr. ADAIR with Mr. BROWNE of Wisconsin.

Mr. UNDERHILL with Mr. STEENERSON.

Mr. SABATH with Mr. SWITZER.

Mr. GITTINS with Mr. JOHNSON of Washington.

Mr. STEPHENS of Texas with Mr. BARTHOLDT.

Mr. IGOE (for the Adamson bill) with Mr. GORDON (against).

Mr. PETERSON with Mr. PETERS of Maine.

On this vote:

Mr. GILLETT (for dam bill) with Mr. PROUTY (against).

Mr. AVIS (for dam bill) with Mr. REED (against).

Mr. GRAHAM of Pennsylvania (for dam bill) with Mr. WALTERS (against).

Mr. JOHNSON of Washington. Mr. Speaker, I voted "no"; but I find I am paired with the gentleman from New York, Mr. GITTINS, and I wish to withdraw that vote and answer "present."

The result of the vote was then announced as above recorded.

The SPEAKER. A quorum is present; the Doorkeeper will open the doors.

On motion of Mr. ADAMSON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 23. An act for the relief of Clara Dougherty, Ernest Kubel, and Josephine Taylor, owners of lot No. 13, and of Mary Meder, owner of the south 17.10 feet front by the full depth thereof of lot No. 14, all of said property in square No. 724, in Washington, D. C., with regard to assessment and payment for damages on account of change of grade due to the construction of Union Station, in said District;

S. 6192. An act to amend section 27 of an act approved December 23, 1913, and known as the Federal reserve act; and

S. 3176. An act to increase the limit of cost of the public building at Bangor, Me.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED.

Under clause 2 of Rule XXIV, Senate bills and joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. J. Res. 169. Joint resolution authorizing the President to accept an invitation and to appoint delegates to participate in the International Conference on Social Insurance; to the Committee on Foreign Affairs.

S. 5798. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, District of Columbia, to Mantorville, Minn.; to the Committee on the District of Columbia.

S. J. Res. 165. Joint resolution authorizing the President to extend invitations to other nations to send representatives to the International Dry Farming Congress to be held at Wichita, Kans., October 7 to 17, inclusive, 1914; to the Committee on Foreign Affairs.

S. 5259. An act to establish one or more United States Navy mail lines between the United States and South America and between the United States and the countries of Europe; to the Committee on Naval Affairs.

S. 6039. An act for the coinage of certain gold and silver coins in commemoration of the Panama-Pacific International Exposition, and for other purposes; to the Committee on Coinage, Weights, and Measures.

PERSONAL EXPLANATION.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for five minutes on a personal matter.

The SPEAKER. The gentleman from Colorado asks unanimous consent to address the House on a personal matter. Is there objection?

There was no objection.

Mr. KEATING. Mr. Speaker, my colleague from Colorado [Mr. KINDEL] addressed the House yesterday on a question of personal privilege. In that connection he read a clipping from the New York Sun which quoted me as saying that Mr. KINDEL was the paid agent or attorney of the express companies.

I never made that statement and do not recollect having given any interview to the Sun. Fortunately I have a memorandum showing what I did say for publication in another newspaper, and I desire to read that into the RECORD. By way of preface I might say that this statement was provoked by the announcement of my colleague that he had left the Democratic Party. The statement as I gave it to the newspaper man was as follows:

When a mattress maker with populistic tendencies is elected to Congress by Democratic votes and suddenly discovers that John D. Rockefeller is a big-hearted philanthropist who deserves well of his country, it is time for the mattress maker to pack his grip and move over into the Republican Party.

Mr. KINDEL was elected to Congress because he convinced the people of Colorado that he was the friend and champion of the parcel post. I think he was quite sincere in this declaration when he made it out in Colorado, but since coming to the Capital he has undergone a most amazing change.

While he is probably the least influential, he is undoubtedly the most persistent and by long odds the most unfair opponent that the friends of the parcel post have been compelled to combat during the last 18 months. He has given aid and comfort to the express companies and has stayed up nights in his effort to hamper and embarrass the parcel post.

Now, Mr. Chairman, that was the statement as I gave it to the press. That was the statement which, in various forms, I have reiterated from time to time, and that is the statement which I now desire to lay before the House, and through the House before the voters of the gentleman's congressional district.

If he will only possess his soul in patience for a few weeks more we will both be back in Colorado and we will have an opportunity to appear together before the voters of his district, and then I shall have my opportunity to tell those voters exactly what the gentleman has been doing down here.

It will be a very entertaining and at times a very amusing story, but it will afford me a great deal of pleasure to tell it to our people, and I shall not stop at the parcel post. I will, perhaps, tell the voters of the gentleman's district the story of how one year ago he introduced in this House a resolution attacking the Attorney General of the United States. That resolution contained statements of facts which were repudiated by the President of the United States, and when an investigation was made to ascertain the authorship of the resolution it was ascertained that the man who wrote it was David Lamar, the "Wolf of Wall Street." According to Mr. Lamar's own confession he had resolutions of that kind introduced in this House for the purpose of rigging the stock market, and I will give the gentleman from Colorado an opportunity to explain to his constituents why he permitted himself to be used by the "Wolf of Wall Street."

I thank the House for having given me this opportunity to make this statement.

REGULATION OF THE CATCHING OF SPONGES.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to reconsider the vote by which the bill (S. 5313) to regulate the taking or catching of sponges in the waters of the Gulf of Mexico and the straits of Florida outside of State jurisdiction; the landing, delivering, curing, selling, or possession of the same; providing means of enforcement of the same; and for other purposes, was passed yesterday, by which it was ordered to be read a third time and passed, in order that I may offer an amendment which was omitted yesterday by oversight.

The SPEAKER. If the gentleman will permit, the Chair will simplify his request. The gentleman from Missouri asks unanimous consent to vacate all of the actions and orders of the House on the bill S. 5313, regulating the catching of sponges, back to the amending stage. Is there objection?

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. The bill has not yet been sent to the Senate?

Mr. ALEXANDER. No; it is yet on the Clerk's desk.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The gentleman will send his amendment up to the desk.

Mr. ALEXANDER. Mr. Speaker, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amend, on page 3, line 5, by striking out the word "to" after the word "request," so that the line as amended will read: "to make arrests and seize vessels and sponges, and upon his request the Secretary of the Treasury may employ," etc.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question now is on the third reading of the Senate bill as amended.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. ALEXANDER, a motion to reconsider the vote by which the bill was passed was laid on the table.

LOCATORS OF OIL AND GAS LANDS.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 5673) to amend an act entitled "An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States, or their successors in interest," approved March 2, 1911, with House amendments thereto, disagreed to by the Senate, insist on the House amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Colorado asks unanimous consent to take from the Speaker's table the bill S. 5673, with House amendments, disagreed to by the Senate, insist on the House amendments, and agree to the conference asked for by the Senate. Is there objection?

There was no objection.

The Chair announced the following conferees: Mr. FERRIS, Mr. TAYLOR of Colorado, and Mr. FRENCH.

PENSIONS.

Mr. KEY of Ohio. Mr. Speaker, I call up the conference report on the bill (S. 4969) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War and to widows of such soldiers and sailors, and move its adoption.

The SPEAKER. The gentleman calls up a conference report, which the Clerk will report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1060).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4969) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 2, 3, 5, 8, 9, 10, and 12, and agree to the same.

That the House recede from its amendments numbered 1, 4, 6, 7, and 11.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.

CHAS. F. JOHNSON,
WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the House to the bill (S. 4969) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, submit the following writtten statement in explanation of the effect of the action agreed upon by the conference committee

and submittted in the accompanying conference report as to each of the said amendments, viz:

On amendments Nos. 2, 3, 5, 8, 10, and 12 the Senate concurs in the House amendments, as these are all corrections of soldiers' service.

On amendment No. 1 the House recedes, as the evidence shows that the widow is the wife of a brigadier general, and the amount proposed by the Senate bill is in conformity with the Senate rules relating to similar cases.

On amendment No. 4 the House recedes, as the evidence shows that the widow is the wife of a brigadier general, and the amount proposed by the Senate bill is in conformity with the Senate rules relating to similar cases.

On amendment No. 6 the House recedes, as the evidence on file in support of this measure justifies the allowance of proposed pension.

On amendment No. 7 the House recedes, as the $12 pension proposed is fully justified by the evidence.

On amendment No. 9 the Senate concurs in the House amendment, as the evidence is not deemed sufficient to warrant proposed pension.

On amendment No. 11 the House recedes, as the evidence on file with the bill fully justifies the proposed increase to $12.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. KEY of Ohio. Mr. Speaker, I also call up the conference report on the bill S. 5278, an omnibus pension bill, of similar title.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1061).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5278) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War and to widows of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 4, 5, 7, 8, 9, 11, 13, and 15, and agree to the same.

That the House recede from its amendment numbered 3.

Amendment numbered 6: That the Senate recede from its disagreement to the amendment of the House numbered 6, and agree the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the sum "$24"; and the House agree to the same.

Amendment numbered 10: That the Senate recede from its disagreement to the amendment of the House numbered 10 and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the sum "$24"; and the House agree to the same.

Amendment numbered 12: That the Senate recede from its disagreement to the amendment of the House numbered 12, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment and in lieu of the sum proposed therein insert the sum "$24"; and the House agree to the same.

Amendment numbered 14: That the Senate recede from its disagreement to the amendment of the House numbered 14, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, and in lieu of the sum proposed therein insert the sum "$40"; and the House agree to the same.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.
CHARLES F. JOHNSON,
WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the House to the bill (S. 5278) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report as to each of the said amendments, viz:

On amendments Nos. 1, 4, 5, 7, 8, and 13 the Senate concurs in the House amendments, as these are all corrections of soldiers' service.

On amendment No. 2 the Senate concurs in the House amendment, as a higher rate than $24 is not warranted by the proofs on file.

On amendment No. 3 the House recedes, as the evidence clearly shows proposed pension of $15 is justified.

On amendment No. 6 the Senate concurs in the House amendment with an amendment allowing a pension of $24. The conferees believe the evidence on file in support of the bill fully justifies this amount.

On amendment No. 9 the Senate concurs in the House amendment, as the evidence on file does not justify the proposed pension.

On amendment No. 10 the Senate concurs in the House amendment with an amendment allowing $24 to soldier, this amount being fully justified by the proof filed.

On amendment No. 11 the Senate concurs in the House amendment, as the proofs are not deemed sufficient to warrant proposed pension.

On amendment No. 12 the Senate concurs in the House amendment with an amendment allowing $24. The Senate passed the bill at $30 and the House struck the item out. Soldier is pensioned at $17 per month for disease of right leg, resulting in varicose veins and malarial poisoning. Soldier's increased disability, as shown by the evidence, clearly justifies an allowance of $24 per month pension.

On amendment No. 14 the Senate concurs in the House amendment with an amendment allowing $40. The evidence on file in support of this bill is believed by the conferees to justify proposed rate.

On amendment No. 15 the Senate concurs in the House amendment, as the evidence does not warrant a higher rating.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. KEY of Ohio. Mr. Speaker, I also call up the conference report on the bill S. 5501, an omnibus pension bill of similar title.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1062).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5501) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 3, 5, 6, 7, 8, 10, 13, 15, 17, 18, and 19, and agree to the same.

That the House recede from its amendments numbered 4, 9, and 16.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, and in lieu of the sum proposed therein insert the sum "$50"; and the House agree to the same.

Amendment numbered 11: That the Senate recede from its disagreement to the amendment of the House numbered 11, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, and in lieu of the sum proposed therein insert the sum "$30"; and the House agree to the same.

Amendment numbered 12: That the Senate recede from its disagreement to the amendment of the House numbered 12, and agree to the same with an amendment as follows: In lieu of the

sum proposed by said amendment insert the sum "$24"; and the House agree to the same.

Amendment numbered 14: That the Senate recede from its disagreement to the amendment of the House numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the sum "$30"; and the House agree to the same.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.
CHARLES F. JOHNSON,
WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the House to the bill (S. 5501) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report as to each of the said amendments, viz:

On amendments Nos. 5, 6, 7, 8, 13, and 17: The Senate concurs in the House amendments, as these are all corrections of soldiers' service.

On amendment No. 1: The Senate concurs, as the evidence is not considered sufficient to warrant proposed pension.

On amendment No. 2: The Senate concurs in the House amendment with an amendment allowing widow $50. The Senate passed the bill at $75 and the House struck the item out. The conferees believe that a rating of $50 is fully justified by the circumstances of the case as presented by the evidence on file.

On amendment No. 3: The Senate concurs, as the proposed increase of pension is not warranted by the evidence on file.

On amendment No. 4: The House recedes, as the $20 proposed by the bill is clearly justified by the evidence on file.

On amendment No. 9: The House recedes, as the evidence on file is deemed sufficient to warrant proposed pension of $12 to widow.

On amendment No. 10: The Senate concurs in the House amendment, as the evidence presented in support of the bill is not deemed sufficient to warrant proposed pension.

On amendment No. 11: The Senate concurs in the House amendment with an amendment allowing $30. Soldier is blind and requires the aid and attention of another person for his care, and the conferees believe the $30 rating is fully justified.

On amendment No. 12: The Senate concurs in the House amendment with an amendment allowing $24. This rating is fully justified by the evidence on file.

On amendment No. 14: The Senate concurs in the House amendment with an amendment allowing $30. The evidence on file in support of this bill warrants proposed pension of $30.

On amendment No. 15: The Senate concurs in the House amendment, as proposed pension is not justified by the evidence in the case.

On amendment No. 16: The House recedes, as proposed amendment is erroneous.

On amendment No. 18: The Senate concurs in the House amendment—a correction.

On amendment No. 19: The Senate concurs in the House amendment, as the rating is deemed sufficient under the proofs filed.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

Mr. KEY of Ohio. Mr. Speaker, I also call up the conference report on the bill S. 5899, an omnibus pension bill of similar title.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1063).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5899) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 6, 7, 8, 9, 11, 13, 15, 16, 17, and 18, and agree to the same.

That the House recede from its amendments numbered 10, 12, 14, 19, and 20.

Amendment numbered 5: That the Senate recede from its disagreement to the amendment of the House numbered 5, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, and in lieu of the sum proposed therein insert the sum "$12"; and the House agree to the same.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.
CHARLES F. JOHNSON,
WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the House to the bill (S. 5899) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report as to each of the said amendments, viz:

On amendment No. 1 the Senate concurs in the House amendment, as the proposed pension of $20 is not warranted by the evidence on file.

On amendments Nos. 2, 4, 6, 11, 15, 17, and 18 the Senate concurs in the House amendments, as these are all corrections of soldiers' service.

On amendment No. 3 the Senate occurs in the House amendment, as proposed increase of pension is not warranted by the facts in the case.

On amendment No. 5 the Senate concurs in the House amendment with an amendment allowing $12, which is fully justified by the evidence on file.

On amendment No. 7 the Senate concurs in the House amendment, as the evidence presented in support of the bill does not justify proposed pension.

On amendment No. 8 the Senate concurs, as proposed pension is not warranted by the evidence on file.

On amendment No. 9 the Senate concurs, as a rating of more than $17 per month is not warranted by the proofs on file.

On amendment No. 10 the House recedes, as proposed pension of $20 is fully justified by the facts in the case.

On amendment No. 12 the House recedes, as proposed pension of $20 is warranted by the evidence.

On amendment No. 13 the Senate concurs in the House amendment, as proposed pension is not justified by the evidence.

On amendment No. 14 the House recedes, as a pension of $12 per month is justified by the evidence.

On amendment No. 16 the Senate concurs in the House amendment, as proposed increase of pension is not justified by the proofs on file.

On amendment No. 19 the House recedes, as the evidence on file in support of this bill clearly shows that proposed pension of $24 per month is just and proper.

On amendment No. 20 the House recedes, as proposed amendment is erroneous.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

Mr. KEY of Ohio. Mr. Speaker, I also call up the conference report on the bill H. R. 15959, an omnibus pension bill of similar title.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1064).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15959) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 7, 10, and 15.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 8, 9, 11, 12, 13, 14, 16, 17, and 18, and agree to the same.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.
CHARLES F. JOHNSON,
WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

On amendment No. 1 the House concurs in the Senate amendment. It is believed that a rate of $20 per month is fully justified in this case

On amendment No. 2 the House concurs in the Senate amendment. It is only a typographical error.

On amendment No. 3 the House concurs in the Senate amendment. This beneficiary is now dead.

On amendments Nos. 4 and 5 the House concurs in the Senate amendments. This is merely a change in phraseology.

On amendment No. 6 the Senate recedes. It is believed that a pension of $17 per month is fully warranted upon the facts presented in this case.

On amendment No. 7 the Senate recedes. The facts fully justify the granting of pension at the rate of $12 per month.

On amendment No. 8 the House concurs in the Senate amendment. This is merely a change in phraseology.

On amendment No. 9 the House concurs in the Senate amendment. It is not believed that a higher rate than $12 per month is justified in this case.

On amendment No. 10 the Senate recedes. The evidence in this case fully justifies the allowance of pension at the rate of $12 per month.

On amendment No. 11 the House concurs in the Senate amendment. It is not believed that a higher rate of pension than $12 per month is warranted.

On amendments Nos. 12 and 13 the House concurs in the Senate amendments. This is only a change in phraseology.

On amendment No. 14 the House concurs in the Senate amendment. This is a change of phraseology only.

On amendment No. 15 the Senate recedes. It is believed that the facts of this case fully warrant the allowance of pension at $24 per month.

On amendments Nos. 16, 17, and 18 the House concurs in the Senate amendments. This is only a change in the phraseology.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

Mr. KEY of Ohio. Mr. Speaker, I also call up the conference report on the bill H. R. 16345, an omnibus pension bill of similar title.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1065).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16345) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1 and 16.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, and 18, and agree to the same.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.
CHARLES F. JOHNSON,
WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

On amendment No. 1 the Senate recedes. It is believed that a pension of $12 per month to the widow and $2 per month additional to the minor children of the soldier is fully justified in this case.

On amendment No. 2 the House concurs in the Senate amendment. The facts of this case do not warrant the allowance of pension.

On amendment No. 3 the House concurs in the Senate amendment. It is believed that an increase in rate to $12 per month is justified in this case.

On amendments Nos. 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 the House concurs in the Senate amendments. All of these amendments are merely a change in phraseology.

On amendment No. 14 the House concurs in the Senate amendment. The beneficiary is now dead.

On amendment No. 15 the House concurs in the Senate amendment. This is only a correction of service of the soldier.

On amendment No. 16 the Senate recedes. The allowance of pension at $17 per month is fully warranted in this case.

On amendments Nos. 17 and 18 the House concurs in the Senate amendments. This is only a change in phraseology.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

Mr. KEY of Ohio. Mr. Speaker, I also call up the conference report on the bill H. R. 17482, an omnibus pension bill of similar title.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1066).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17482) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 15, and 30.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, and 35, and agree to the same.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.
CHARLES F. JOHNSON,
WM. HUGHES,
REED SMOOT,
Managers on the part of the Senate.

The statement is as follows:

STATEMENT.

On amendments Nos. 1, 2, 3, and 4 the House concurs in the Senate amendments. This is merely a change of phraseology.

On amendment No. 5 the House concurs in the Senate amendment. It is not believed that the allowance of pension is warranted in this case.

On amendment No. 6 the House concurs in the Senate amendment. The evidence in this case does not warrant or justify an increase in rate.

On amendments Nos. 7, 8, and 9 the House concurs in the Senate amendments. This is a change of phraseology only.

On amendment No. 10 the Senate recedes. It is not believed that a higher rate than $30 per month is warranted in this case.

On amendments Nos. 11, 12, 13, and 14 the House concurs in the Senate amendments. This is merely a change in the phraseology.

On amendment No. 15 the Senate recedes. The evidence in this case fully justifies the allowance of pension at the rate of $12 per month to the widow and $2 per month additional for the minor children of the soldier.

On amendments Nos. 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, and 29 the House concurs in the Senate amendments. These are only changes in phraseology.

On amendment No. 30 the Senate recedes. A pension of $12 per month to the widow and $2 per month additional to the minor children of the soldier is fully warranted in this case.

On amendments Nos. 31, 32, 33, and 34 the House concurs in the Senate amendments. These are merely corrections in the service of soldier.

On amendment No. 35 the House concurs in the Senate amendment. This provides for the allowance of $2 per month additional to the minor children of William T. Woods, the deceased soldier, which was erroneously left out of the bill in behalf of the widow when same was passed in the House of Representatives.

JNO. A. KEY,
EDWARD KEATING,
SAM R. SELLS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

POSTAL AND CIVIL-SERVICE LAWS.

Mr. GARRETT of Tennessee. Mr. Speaker, by authority of the Committee on Rules, I present a privileged resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 584.

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 17042, entitled, "A bill to amend the postal and civil-services laws, and for other purposes." There shall be not exceeding six hours of general debate, one-half of which time shall be controlled by the gentleman from Tennessee [Mr. MOON], and one-half by the gentleman from Michigan [Mr. SAMUEL W. SMITH]. At the conclusion of general debate the bill shall be considered for amendment under the five-minute rule, and after being perfected the committee shall rise and report the same to the House with such recommendation as it may make, whereupon the previous question shall be considered as ordered upon the bill and all amendments thereto to final passage without intervening motion except one motion to recommit: *Provided*, That all debate upon the bill and amendments shall be limited to the subject matter thereof.

Mr. GARRETT of Tennessee. Mr. Speaker, I desire to inquire if there is any desire for time on that side on this rule.

Mr. MANN. We would like to have about an hour on this side on the rule, but I would be willing to compromise by voting for the rule if the gentleman would be willing to extend the time on the bill from six to eight hours.

Mr. GARRETT of Tennessee. Would the gentleman be willing to meet at 11 o'clock on Thursday?

Mr. MURDOCK. To start then?

Mr. MANN. There is no such emergency as that, but I do not care——

Mr. MURDOCK. It will run over two days, anyhow.

Mr. MANN. All right; I will have no objection to meeting at 11 o'clock.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the resolution be amended so as to strike out the word "six" before the word "hours," in line 7, and insert the word "seven."

Mr. MANN. Eight.

Mr. GARRETT of Tennessee. Seven hours was the gentleman's request.

Mr. MANN. The gentleman need not use it if he does not want to.

Mr. GARRETT of Tennessee. I misunderstood the gentleman; I thought he was simply desiring to have one hour additional debate.

Mr. MANN. We want an extra hour on this side.

Mr. MOON. I suggest that that time be equally divided, whether it be six, seven, or eight hours.

Mr. MANN. The rule provides for that.

Mr. GARRETT of Tennessee. Does the gentleman from Illinois desire eight hours' debate?

Mr. MANN. We want four hours; the gentleman need not use all his time if he does not want to do so.

The SPEAKER. What does the gentleman desire to say about the amendment?

Mr. TOWNSEND. I hope the gentleman from Tennessee will agree to the amendment. I know of several Members who would like more time than they could possibly get under the six-hour arrangement. It will take two days, anyhow, I suggest to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. Mr. Speaker, I do not desire, of course, to be stubborn about the matter. All the time is given in this rule as it is reported from the committee that was asked by the Committee on the Post Office and Post Roads who reported the bill that is to be considered. Not only all the time was given, but two hours more than were requested was given, because we anticipated that we would have——

Mr. SAMUEL W. SMITH. Will the gentleman yield?

Mr. GARRETT of Tennessee. I yield to the gentleman from Michigan.

Mr. SAMUEL W. SMITH. When the gentleman says the Committee on Rules gave all the time requested by the Committee on the Post Office and Post Roads I am sure they were not consulting the minority of the committee.

Mr. GARRETT of Tennessee. I mean as presented to the Committee on Rules.

Mr. SAMUEL W. SMITH. I desire to say I have had requests for more than four hours' time.

Mr. MOON. I suggest to my colleague that inasmuch as so many gentlemen have asked for time in general debate that he make this eight hours, and give four hours to a side.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the word "six" be stricken out and the word "eight" be inserted, in line 7, before the word "hours."

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the word "six" be stricken out before the word "hours" and the word "eight" inserted. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that when the House adjourns to-morrow it adjourn to meet at 11 o'clock a. m. on Thursday.

The SPEAKER. The gentleman from Tennessee [Mr. GARRETT] asks unanimous consent that when the House adjourns to-morrow, Wednesday, it adjourn to meet at 11 o'clock a. m. on Thursday.

Mr. DONOVAN. Mr. Speaker, I am going to object to that request.

Mr. MANN. Mr. Speaker, will the gentleman from Tennessee yield?

Mr. GARRETT of Tennessee. I would like to get this request disposed of first.

Mr. MANN. The gentleman from Connecticut [Mr. DONOVAN] has just objected to it.

The SPEAKER. The gentleman from Connecticut said he was going to object.

Mr. MANN. We have a priviliged matter in the nature of a report from the Committee on Rules, on which the previous question has not been ordered, and it is subject to amendment, and it might be provided that when the House meet on Thursday it meet at 11 o'clock a. m.

Mr. SAMUEL W. SMITH. A parliamentary inquiry, Mr. Speaker.

Mr. GARRETT of Tennessee. The gentleman can not take me off my feet by a parliamentary inquiry.

The SPEAKER. The gentleman from Michigan will propound his inquiry.

Mr. SAMUEL W. SMITH. I would like to inquire whether or not the gentleman from Connecticut objected or whether he said he was going to object?

The SPEAKER. The Chair understood that the gentleman objected.

Mr. MURDOCK. Will the gentleman from Tennessee yield to me?

Mr. GARRETT of Tennessee. I will.

Mr. MURDOCK. I followed the rule as carefully as I could. Did the rule permit amendment?

Mr. GARRETT of Tennessee. Yes. No limitation on amendment and no limitation to debate under the five-minute rule. It comes under the general rules of the House.

Mr. MURDOCK. And after the consideration of the bill under the five-minute rule the previous question shall be considered as ordered, and one motion to recommit?

Mr. GARRETT of Tennessee. One motion to recommit. I renew my request that when the House adjourns to-morrow it adjourn to meet at 11 o'clock a. m. Thursday.

The SPEAKER. The gentleman from Tennessee renews his request that when the House adjourns to-morrow it adjourn to meet at 11 o'clock a. m. Thursday. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, is there any desire for debate on this rule?

Mr. MANN. No; we agreed to an amendment that covered that.

Mr. GARRETT of Tennessee. Mr. Speaker, this rule simply provides for the consideration of the bill reported from the Committee on the Post Office and Post Roads, providing for the weighing of mails, and for other purposes. I move the previous question on the adoption of the rule.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. GARRETT of Tennessee. Mr. Speaker, the rule provides that immediately on the adoption of the resolution the House resolve itself into the Committee of the Whole House on the state of the Union.

The SPEAKER. The House resolves itself automatically into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 17042, and the gentleman from New York [Mr. CONRY] will take the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 17042, of which the Clerk will report the title.

The Clerk read as follows:

A bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes.

Mr. MOON. Mr. Chairman, it is rather late in the day to begin the general debate. I believe there is no one present on either side who desires to speak this afternoon.

Mr. MURDOCK. Will the gentleman yield? Does the gentleman from Tennessee [Mr. MOON] propose to open the debate on Thursday morning himself?

Mr. MANN. A parliamentary inquiry. Has the first reading of the bill been dispensed with?

Mr. MOON. I am going to make that motion if I have the opportunity.

Mr. MANN. I thought the gentleman was discussing whether or not we would have debate.

Mr. MOON. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. MOON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to; and the Speaker having resumed the chair, Mr. CONRY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes, and had come to no resolution thereon.

BRIDGE ACROSS SULPHUR RIVER, TEX.

Mr. WINGO. Mr. Speaker, I ask unanimous consent to call up the bill S. 6031, which is an emergency bridge bill.

The SPEAKER. The gentleman from Arkansas [Mr. WINGO] asks unanimous consent to call up the bill S. 6031, which is in the nature of an emergency measure and which the Clerk will report.

The Clerk read as follows:

An act (S. 6031) authorizing the Board of Trade of Texarkana, Ark.-Tex., to construct a bridge across Sulphur River at or near Pace's ferry, between the counties of Bowie and Cass, in the State of Texas.

Be it enacted, etc., That the consent of Congress is hereby granted to the Board of Trade of Texarkana, Ark.-Tex., to build, maintain, and operate a public highway bridge across the Sulphur River, at a point suitable to the interests of navigation, at or near Pace's ferry, between the counties of Bowie and Cass, in the State of Texas, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby reserved.

Also the following committee amendment was read:

Page 1, line 5, strike out the words "public highway."

The SPEAKER. Is there objection?

There was no objection.

The committee amendment was agreed to.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. WINGO, a motion to reconsider the last vote was laid on the table.

LEAVE TO EXTEND REMARKS.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p. m.) the House adjourned until Wednesday, August 5, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting an estimate of appropriation in the sum of $301,465 for the manufacture in the current fiscal year by the Bureau of Engraving and Printing of 5,000,000 sheets of notes for the United States Treasurer and 3,000,000 sheets of national-bank notes, which are estimated to be required in addition to those already appropriated for (H. Doc. No. 1138), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GILMORE, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 13489) increasing the limit of cost for the purchase of a site and the construction thereon of a post-office building at Waltham, Mass., reported the same with amendment, accompanied by a report (No. 1069), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HARRISON: A bill (H. R. 18220) to exclude from readmission into the United States certain persons, and with reference to the expatriation of certain citizens; to the Committee on Immigration and Naturalization.

By Mr. FINLEY: A bill (H. R. 18221) regulating the salary of letter carriers of the Rural Delivery Service; to the Committee on the Post Office and Post Roads.

By Mr. KELLY of Pennsylvania: A bill (H. R. 18222) to pay the balance due the depositors in the Freedman's Savings & Trust Co.; to the Committee on Appropriations.

By Mr. OLDFIELD (by request): A bill (H. R. 18223) providing for the registration of designs; to the Committee on Patents.

By Mr. DONOHOE: A bill (H. R. 18224) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910, and for the further development of water power and the use of public lands in relation thereto, the development of water power and the constructing, maintaining, or operating of any dam or appurtenant or accessory works or other obstructions across the navigable waters of the United States, and to conserve the navigable capacity of said waters and contributary waters, whether navigable or nonnavigable, and for the erection of dams and their accessories in the boundary waters between the respective States, as well as in the boundary waters between the United States and foreign nations; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLIER: A bill (H. R. 18225) authorizing and directing the Secretary of War to make certain provisions for the care of the participants in the celebration of the semicentennial close of the war between the States, and the centennial close of the last war between Great Britain and the United States, to be held at Vicksburg, Miss., on the 6th, 7th, 8th, and 9th days of October, 1915, and making an appropria-

tion of a sum sufficient to carry out the provisions of this act; to the Committee on Appropriations.

By Mr. CHURCH: A bill (H. R. 18226) authorizing the Secretary of the Interior to grant permits to occupants of certain lands on which oil or gas has been discovered, and authorizing the extraction of oil and gas from such lands under rules to be prescribed; to the Committee on the Public Lands.

By Mr. TOWNER: A resolution (H. Res. 583) requesting the President to furnish information to the House of Representatives, if not incompatible with the public interest, whether the Government of the United States has asked the Governments of Great Britain, France, Germany, Russia, Japan, or any other foreign power to consider the question of joining this Government in a declaration or guaranty of neutrality for the Philippine Islands, in case the United States should grant their independence; to the Committee on Foreign Affairs.

By Mr. FINLEY: Joint resolution (H. J. Res. 313) appropriating $75,000 for the relief of the sufferers from the hail and wind storm in York and Cherokee Counties, S. C., July 7, 1914; to the Committee on Appropriations.

By Mr. KINKAID of Nebraska: Joint resolution (H. J. Res. 315) to afford moisture for growing crops in a certain drought-stricken locality in Nebraska, in the valleys of the North Platte and Platte Rivers, both by surface and subirrigation, by the release of water impounded in the Pathfinder Dam in the Platte River, Wyo., such as is held in excess therein of the requirements and obligations of the Government to so hold or dispose of under the statutes; to the Committee on Irrigation of Arid Lands.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 18227) granting an increase of pension to Catharine Ittig; to the Committee on Invalid Pensions.

By Mr. FREAR: A bill (H. R. 18228) for the relief of Joseph Vermilyea; to the Committee on Military Affairs.

By Mr. KINKEAD of New Jersey: A bill (H. R. 18229) granting a pension to William Spitzer; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 18230) for the relief of the heirs of William B. Dodd, deceased; to the Committee on Claims.

By Mr. LEVER: A bill (H. R. 18231) for the relief of the heirs of Adolphus Feininger; to the Committee on War Claims.

By Mr. LOGUE: A bill (H. R. 18232) granting a pension to Hester Graves; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 18233) granting an increase of pension to William Hovey; to the Committee on Invalid Pensions.

By Mr. SLEMP: A bill (H. R. 18234) granting a pension to James D. Cox; to the Committee on Pensions.

By Mr. SPARKMAN: A bill (H. R. 18235) granting a pension to George Slater; to the Committee on Pensions.

By Mr. TAGGART: A bill (H. R. 18236) granting a pension to Jesse Holt; to the Committee on Invalid Pensions.

By Mr. TRIBBLE: A bill (H. R. 18237) to remove the charge of desertion from the military record of Henry W. Beusse; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ALLEN: Petitions of 208 citizens of Cincinnati, Ohio, protesting against national prohibition; to the Committee on Rules.

By Mr. BLACKMON: Petition of 30 citizens of Bessemer, Ala., favoring national prohibition; to the Committee on Rules.

By Mr. DALE: Petition of George Morris, of Kings County, N. Y., against national prohibition; to the Committee on Rules.

By Mr. DIXON: Petition of 907 citizens of the fourth congressional district of Indiana, protesting against national prohibition; to the Committee on Rules.

By Mr. GARNER: Memorial of Interstate Cotton Seed Crushers' Association, favoring passage of House bill 9906, relative to sale and manufacture of oleomargarine; to the Committee on Agriculture.

Also, memorial of Interstate Cotton Seed Crushers' Association, relative to duty on cottonseed oil; to the Committee on Ways and Means.

By Mr. GOOD: Petition of citizens of Linn County, Iowa, favoring national prohibition; to the Committee on Rules.

By Mr. HAWLEY: A letter from Rev. John A. Townsend, stated clerk Presbyterian Synod of Oregon, Portland, Oreg., with a resolution adopted by that body, favoring the amendment to the Constitution for national prohibition of the liquor traffic; to the Committee on Rules.

By Mr. KITCHIN: Petition of 165 citizens of Weldon, N. C., favoring national prohibition; to the Committee on Rules.

By Mr. LONERGAN: Protest of Henderson Chambers, of Main Street, South Manchester, Conn., against the adoption of House joint resolution 168; to the Committee on Rules.

By Mr. MAGUIRE of Nebraska: Petition of business men of Plattsmouth, Nebr., favoring passage of H. R. 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. O'LEARY: Petition of D. D. Rickey and citizens of Jamaica, and D. R. K. Staatsverland, all of the state of New York, protesting against national prohibition; to the Committee on Rules.

Also, memorial of Chamber of Commerce of the Borough of Queens, city of New York, asking that action on trust legislation be deferred; to the Committee on the Judiciary.

By Mr. RAKER: Petition of sundry citizens of the State of California, favoring national prohibition; to the Committee on Rules.

Also, memorial of National Farmers' Educational and Cooperative Union of America relative to tax on cotton; to the Committee on Ways and Means.

Also, petition in opposition to the Hobson resolution by Frank Carr and John J. McGovern, of Junction City; Charles E. Wathurs and W. E. Echenach, of Folsom; M. Leonardin, of Redding; G. A. Freas, of Dunsmuir; J. A. Alm, of Crescent City; Thomas Halls and John Phillips, of Grass Valley; John A. Bartlett and Albert McDaniel, of Junction City; Ira J. Cruthers, of Douglas City; G. H. Bradbury and Alice Bartlett, of Junction City; Saul C. Burens, of North Bloomfield; T. L. Cooper, J. H. Upton, William Tucker, and J. L. Gordon, of Dunsmuir; P. M. Dillon, Frank Muszi, E. A. Fagmerer, O. C. Smith, and A. L. Miller, of Placerville; J. B. Rustra, of Sutter Creek; James Mullane, F. C. Meckel, and W. F. Flowers, of Junction City; Calvin Johnson, of Hawkinsville; L. Clorgentine and N. Nivelli, of Sutter Creek; J. Willis, of Yreka; Rosa Flowers, Mary Bartlett, and Frank Coppino, of Junction City; P. Aathemar and A. Perto, of Sutter Creek; Robert Ingram and James E. Given, of Junction City; Sonie Bacigolupi, of Sonora; A. B. Gilmore, of Manton; E. H. Howard and Charles E. Gilzearn, of Redding; Thomas Champion, of Stent; W. V. Van Patton, John Tohinkdlar, and W. L. Price, of Sonora; E. I. Hastings, of Columbia; Mr. Vepasli, of Big Oak Flat; W. M. Furey, R. L. Price, H. V. Higgins, Ferdinand L. Tanzy, Frank Delucchi, Pietro Ginzo, J. H. Dambacher, Joseph Silva, and G. E. Miller, of Sonora; W. B. Ellis, of Columbia; Dr. P. C. Davenport, John M. King, J. Z. McMahon, and H. Meentzen, of Sonora; Fred W. Cole, of Dunsmuir; A. J. Banbridge and Homer Thompson, of Sonora; William Grewing, of Placerville; H. L. Boyd, E. E. Vanderpond, and J. W. Trimble, of Junction City; McAulay R. Richards and H. Woodbury, of Sacramento; J. F. Hinman, of Redding; C. H. Hamilton, of Bayles; D. F. Burnett, of Redding; Squire Campbell, of Placerville; J. A. Shine, John W. Patrick, H. Garland, W. H. Dennis, M. E. Pedro, B. E. Smith, George Michel, Lee Arana, F. R. McGovern, and A. V. Swanson, of Sonora; George F. Wetzel, of Yreka; W. B. Dunble, of Weed; J. G. Bransutter and J. E. Goodman, of Dunsmuir; N. F. Lewis and Antonio Rojas, of Sonora; D. R. Carlson, of Sequoia; Thomas Richards, of Sonora; V. L. Mitchell, of Tuttletown; R. T. McNeely and James Ghoiso, of Sonora; R. T. Cummings, of Junction City; R. A. Pemberton, William J. Thompson, and R. A. Martin, of Redding; E. J. Wood, Matt Marshall, Henry Meyer, and George M. Everly, of Sonora; Theo Schaut, of Placerville; James Gianbruno, of Jackson; S. J. Warren, R. C. Thomas, J. N. Lyon, A. W. Knowles, Frank Pinnella, and James D. Barry, of Sonora; W. C. Pomder, E. A. West, E. F. Lewis, E. P. Derby, C. H. Clark, Isaac R. Wells, Leo Hamilton, A. T. Huff, A. H. Conlish, and James McMann, of Dunsmuir; Mrs B. E. Knox, J. P. Ehercole, Frank P. Silver, Frank Green, W. Davidson, and James Cone, of Sonora; C. A. Johnson, of Columbia; E. S. Abbott, of Sonora; James Diamond, of Tuolumne; David Dondero, F. E. Coyle, and J. J. Gaynor, of Sonora; John C. Davis, of Jamestown; Mrs. Pearl Kelly, of Sonora; F. A. Toleman, of Dunsmuir; O. P. Patton, of Tuolumne; Salve Olsen, Edward Thomas, Clarence Lambert, C. Bell, L. Tarabini, Ambrose Chittenden, G. McGairn, and Albert Gorman, of Sonora; F. T. Byrd, of Columbia; T. K. Reed, of Junction City; W. J. Richardson, of Helena; George W. Gromwoldt, of Redding; G. B. Mancher, of Yreka; D. E. Guerin,

G. W. Hammill, Bert Bocca, E. G. Wenzel, E. J. Allahan, G. F. McGovern, E. C. Rudorff, J. C. Dixon, L. E. Guerend, and William Prange, of Sonora; Nellie Gronwoldt, A. U. Gronwoldt, Arthur B. Livermore, S. D. Upson, James R. Doyle, Fred Miller, R. S. Summers, M. F. Ealridge, and Dorthy Rogers, of Redding; E. M. Hale, of Dunsmuir; Paul R. Sierra and John Guorsi, of Sonora; William Nelson, of Columbia; John H. Shine, Ed Harris, J. Allen Rjahy, Louis Batto, C. A. Rudorff, T. F. McGovern, and John B. Doyle, of Sonora; George McCann, H. A. Weed, J. F. Hollis, and E. R. Pendleton, of Dunsmuir; John Finley and Charles J. McConnell, of Redding; J. W. Schaffer, Fred Carr, W. W. Wilson, and J. B. Balch, of Junction City; J. A. Ettewall, of Weed; E. T. Dambacher and M. E. Cain, of Sonora; E. E. Wild, of Los Angeles; C. P. Hirst, of Sonora; A. D. Skinner, of Rescue; Mrs. J. Glarish, of Jackson; Charles Morgan, John Silva, Lewis A. Carr, J. A. Gilzean, and M. F. Post, of Junction City; George F. Goss, of Sonora; Ben Addis, of Soulsbyville; W. Weire, of Weed; T. F. Symons, of Sonora; John T. Beem, of Dunsmuir; Martin E. White, of Sisson; Ross P. Clark, of Weed; J. N. Hutchens, of Ruth; J. E. Cantrill, of Dunsmuir; George M. McClough, of Sisson; Kathleen Morris, of Dedrick; W. D. Edwards and G. C. Wrigley, of Sonora; Ross McAnnis, of Dunsmuir; James R. Lester, Frank A. Buryson, P. Bendorff, John Eastman, J. L. Yonkin, Jo Wiley, F. A. McPherson, and Christian Scott, of Sonora; E. Louise Davis, of Jamestown; C. N. Huff, of Dunsmuir; James W. McCormic, George H. Carter, Frank Simpson, W. H. Walton, John Basigalupi, Jesse Sierra, Fred Bagin, F. P. Otis, V. P. Riley, Gustave Kindall, M. Medina, and C. F. Sheehan, of Sonora; Albert Baier, of Columbia; E. M. Thomas, James E. Wright, H. E. Rachford, M. S. Carheck, J. E. Baer, J. E. Rassenfort, H. P. Gallagher, Nettie Whits, Mrs. E. G. Miller, F. J. Curren, and Charles Hedricks, of Sonora; J. W. Lahr, George E. Payne, E. Connelly, J. A. Downer, and William Anspach, of Dunsmuir; M. H. Neimeyer, of Weed; John L. Glarich, of Jackson; G. Bloom, James Kinlock, L. A. Wheetitian, John L. Ryan, L. A. Welch, R. T. Crist, and R. O. Gwynn, of Dunsmuir; C. A. Fish, of Sonora; J. S. King, of North Bloomfield; J. M. White, of Weed; Robert Leam, E. Murphy, Arthur McAuley, R. S. Davis, J. C. Dambacher, W. T. Taylor, P. W. Fahey, John F. Doyle, and E. G. Miller, of Sonora; and David F. Jones, of Redding; Edward C. Lucas, T. J. Saul, and H. J. Barrington, of Weed, all in the State of California; and Hubert S. Marshall, of Cincinnati, Ohio; to the Committee on Rules.

Also, petition in favor of the Hobson resolution, by Olivia B. Adams, Long Beach; Ruth W. Kohlstedt, Los Angeles; Robert L. Black, Pasadena; J. W. Allin, Pasadena; Morris A. Cole, Pasadena; Allie M. Flournoym, Pasadena; Rosa Parks, Corning; W. C. Penter, El Dorado; Mrs. W. C. Penter, El Dorado; L. J. Carson, Greenfield; Margaret French, San Diego; Mrs. W. White, El Dorado; J. H. Renfro, El Dorado; Maurice Van Dyke, Corona; Mary Moore, Los Angeles; Mr. and Mrs. F. G. Cartzdafner, Pasadena; Birdie M. Johnson, Los Angeles; C. C. Mullen, Pasadena; Mrs. Russell, Pasadena; Teddy Wooley, Penryn; Mrs. J. T. Backstrand, Riverside; Margaret Garbutt, Los Angeles; Mrs. George N. Turner, Los Angeles; H. B. Oakley, Los Angeles; Sur Birdsall, Corona; Charles Zink, Long Beach; Grace L. Shaw, El Dorado; Clinton L. Foster, Corning; Emily McCutcheon, Mariposa; Fern E. Gilbert, Colton; W. E. Kingsbury, Corning; Alfred Tanner, Colton; Hattie King, Fillmore; Mrs. A. J. Mehrtens, Wallace; Mrs. E. E. Christian, Long Beach; Nellie M. Christian; W. N. Burns, Pasadena; Mrs. Clara Chaffin, Pasadena; Harmon Butler, Penryn; W. A. Peck, Penryn; Beulah Healy, Penryn; Forrest C. Gerkin, Penryn; Ray Frederick, Penryn; Clarence Frederick, Penryn; Millard Strubble, Penryn; Catherine Frederick, Penryn; Dorothy Peak, Penryn; E. R. Peet, Los Angeles; Eleanor C. Cooper, Pasadena; Inez P. King, Pasadena; Mrs. H. E. Watson, Corning; John M. Looly, El Dorado; Mary J. Page, El Dorado; Dorothy Clark, Greenfield; James H. Clark, jr., Greenfield; Mrs. W. T. Elliott, Los Angeles; Hannah M. Snyder, Long Beach; Ora Leak, Penryn; Carroll Hall, Penryn; Susan Healy, Penryn; George H. Irwin, Penryn; Raymond Perry, Penryn; Edith M. Black, Pasadena; Carl Breuner, Pasadena; Mrs. R. Sedorus, Pasadena; William Hyoson, Pasadena; Henry Steitz, Placerville; Antoinette Wheeler, Los Angeles; Edith C. Webb, Los Angeles; Mrs. A. G. Smith, Valley Springs; C. C. Van Fleet, Riverside; Effie A. Dobbins, Los Angeles; Paul Bigsby, Los Angeles; P. H. Fest, Hughson; Alice Charity, Auburn; Hester Ludwig, Keyes; John Brereton, Lincoln; Nellie Ramsey, Lincoln; Frank Farr, Hughson; William Martin, East Auburn; T. S. Cole, East Auburn; Floretta Martin, East Auburn; Mrs. C. E. Hamilton, Greenfield; Rev. E. E. Clark, Placerville; John H. Knoll, Placerville; Mrs. E. V. Darby, East Auburn; William Robert Friedell, East Auburn; James A. Darby, East Auburn; Mrs. R. P. Snypp, East Auburn; A. W. Webster, East Auburn; I. J. Webster, East Auburn; Louisa J. Lillin, Valley Springs; Mrs. Percy Hunt, West Point; W. A. Armstrong, Loyalton; D. R. Peterson, Penryn; M. A. Lee, Varain; Minnie A. Lee, Varain; I. A. Roseanere, Varain; Mrs. S. O. Caller, East Auburn; Alta C. Roserare, Varain; Clyde R. Ebey, Hermon; G. Manson, Canino; Mrs. C. H. Green, Etna Mills; Rosalie B. Hayden, Callahan; Edith Murry, Callahan; Mary Luke, Loyalton; Mrs. S. M. Luther, Auburn; Ella Davis, Auburn; Bernard Garbutt, Los Angeles; Georgia Shepard, Ocean Park; Della Wells, Los Angeles; Blanch Vachon, Pasadena; Annette W. Merritt, Pasadena; Henrietta Davidson, Los Angeles; Bessie Davidson, Los Angeles; James Davidson, Los Angeles; George W. Turner, Riverside; Annie E. Chase, San Francisco; Mr. and Mrs. William B. Otis, Pasadena; Myrtle A. Pool, Valley Springs; Leon T. Matthas, Los Angeles; Rev. W. S. Bryant, Long Beach; L. U. Bryant, Long Beach; Grace A. Brass, Placerville; Ester C. Towle, Railroad Flat; Freddie Brace, Placerville; Sydney Brace, Placerville; Mrs. O. E. Pineo, Placerville; Mrs. S. G. Kiltz, Los Angeles; Mrs. Fay Goodson, Pasadena; J. T. Pliter, Valley Springs; L. C. Turner, Pasadena; Mary O'Brien, Pasadena; C. S. Dwight, Pasadena; N. Carolin Wells, Pasadena; H. S. O'Brien, Pasadena; William H. Blackwell, Pasadena; Asa A. Wells, Pasadena; Adrienne Batelle, Placerville; Lena Enzla, Placerville; Marvel Marshall, Placerville; Lois Marshall, Placerville; Neto E. Grogor, Placerville; Eva A. Hakemoller, Placerville; Mare Davey, Placerville; Mrs. M. E. Wyatt, Placerville; C. G. Cox, Los Angeles; Charles P. Banfield, Penryn; Homer Stuble, Penryn; C. T. Penrose, Pasadena; L. C. Turner, Pasadena; A. J. Bremner, Pasadena; Frank S. Thornburg, Pasadena; Ruth H. Bacon, Pasadena; Jennie I. Campbell, Pasadena; George W. Eastman, Pasadena; Mary Larson, Pasadena; Milton Young, Auburn; George W. Asken, El Dorado; Harry White, El Dorado; Jennie E. Alhert, Pasadena; Nadeau Halcomb, Greenfield; Mrs. William Rogge, Los Angeles; Mrs. I. B. Hayes, Long Beach; C. C. Bishop, Corning; Landrum Smith, Whittier; Florence Adell, Greenfield; Carrol Adell, Greenfield; Isabella Kline, Corning; John Kline, Corning; Mrs. O. E. Dahlberg, East Auburn; Willie Jessup, Keyes; Mrs. C. I. Richardson, El Cajon; Hermilla Courtney, Greenfield; Rosalie E. Bradey, Greenfield; David D. Davis, East Auburn; Sarah E. Bayne, Pasadena; Ella C. Davis, East Auburn; Mrs. J. C. Spencer, East Auburn; Florence A. Erwin, Pasadena; Mrs. S. Garnard, Pasadena; Genevie Cato, East Auburn; James S. Cato, East Auburn; Cloyd M. Walters, Corning; Clara K. Jacobs, Pasadena; Viola Graham, El Dorado; Mrs. M. E. White, El Dorado; Mrs. J. H. Renfro, El Dorado; Ethel Heiple, Auburn; Deborah Baker, Pasadena; Roy Ogdon, East Auburn; Joe Hamilton, Auburn; Franc M. Mayers, Pasadena; Jessie F. Thompson, Pasadena; J. C. Spencer, East Auburn; Mrs. L. F. Ursenbach, East Auburn; A. F. Campbell, Pasadena; Floyd R. Edginton, Penryn; Mary R. Cox, Los Angeles; Rachel Hackett, Santa Monica; Nellie Weichert, Hughson; Mrs. A. J. Tarbox, Los Angeles; Arthur Brown, Redding; Edna Westlake, Redding; Rowland Randolph, Redding; Chris Wichert, Hughson; Almeta Ford, Penryn; Robert Banfield, Penryn; Richard Randolph, Redding; George Badger, Redding; Gladys Larkin, Redding; Marjorie White, Redding; Eppie Hughes, Redding; Vera McLaughlin, Redding; Vera Tracie, Redding; C. F. Bovek, Pasadena; Magnus H. Green, Valley Springs; Mrs. J. R. Gillam, Valley Springs; Alvin Bradley, Penryn; Raymond Thompson, Pasadena; George Thompson, Pasadena; Ida M. Thompson, Pasadena; Fred Zangg, Pasadena; William P. S. Cattell, Pasadena; Clara E. Smith, Pasadena; Mrs. F. E. Oakley, Los Angeles; L. S. Ursenbach, East Auburn; Dorothy Howell, Auburn; A. C. McCulley, Pasadena; Mrs. A. J. Bauram, Pasadena; Mrs. Art. Brennan, Pasadena; Miss M. Lininger, Auburn; Mrs. R. E. Dahlberg, Auburn; Ellsworth Young, Auburn; Merdol Williams, Auburn; Henry Young, Auburn; Flora Robinson, East Auburn; Roberta Allen, Auburn; Ellsworth Richardson, Auburn; Blossom Snypp, East Auburn; Galen McKnight, Auburn; Alice E. Williams, Auburn; Harry R. Kohlstedt, Los Angeles; Mattie Troy, Los Angeles; Louise Hosmer, Los Angeles; Oline Lassey, East Auburn; Willie White, Auburn; Beatrice ———, Auburn; Shirley Savage, Auburn; Malcolm Lutz, East Auburn; Hattie Bushnell, Greenfield; Howard Rogers, Greenfield; Herndon Ray, Davis; Herbert I. Rogers, Greenfield; Lucy C. Vance, El Dorado; Nellie Anderson, Long Beach; Sylvia Clark, Wallace; James A. Fork, Los Angeles; Albert Carlson, Greenfield; Mrs. W. H. Patterson, Long Beach; Kenyon Warren, Pasadena; Mrs. M. E. Slenmen, Long Beach; A. N. Towne, Pasadena; Lena Hale, Wallace; Myrtle Carson, Greenfield; Ella Marsh, Long Beach; E. E. Gates, Los Angeles; Edna M. Rose, Long Beach, all in the State of California; and Oscar E. Schwemce, Milwaukee, Wis.; to the Committee on Rules.

By Mr. STEDMAN: Petition of 500 citizens of High Point, N. C., favoring national prohibition; to the Committee on Rules.